

ECONOMIC IMPACT OF MIGRATION

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In many developing countries, rural-urban migration is rapidly gaining importance, especially in urban economics, as rural-urban wage differentials grow and the returns from migration increase. In India, labour migration is an important livelihood strategy. In 2001, India had a population of over one billion. Of these 67.2 percent live in rural areas and 32.8 percent in towns and cities. Between 1951 and 2001, people in urban areas as a percentage of the total population increased gradually from 17.3 percent to 32.8 percent. Of the total work force, 73.3 percent remained in rural areas, a marginal decline from 79.3 percent in 1981 and 77.7 percent in 1991. Fifty-eight percent remained dependent on agriculture. Regional disparities have grown, especially since the mid 1980's, with the ratio between the highest and the lowest per capita incomes per state rising to 3.5 between 1997-2000, (Srivastava, 2003).

Studies on migration in India have shown that poor households participate extensively in migration. The primary motive for migration recorded by the population Census and the NSS is an important indicator of labour market induced mobility. The recent

trends of labour mobility analysed on the basis of NSS estimates from the 49th (1992-93) and 55th rounds (2000-01) by Srivastava and Bhattacharya (2003) shows a sharp increase in urban male mobility with a significantly larger percentage of male migrants reporting economic and employment related reasons for mobility.

As regards the economic impact, migration has both negative and positive consequences for migrants and their families. When men migrate abroad, the impact on the family unit and on women, children and the elderly left behind is quite significant. The absence of men adds to material and psychological insecurity and uncertainty of circumstances often pushes women and children from poor households to participate in the labour market on the negative side, while on the positive side absence of men is seen to influence the direct participation of women in the economy as workers and decision-makers and increase the interaction of women with outside world. Likewise family migration also has adverse effect on older siblings who are forced to forego their education in order to take care of their younger siblings or work along with parents

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to supplement their meagre income. Similarly it affects the elders, who are left behind, to tend for themselves, for their subsistence and other basic requirements and cope with additional responsibilities in the absence of earning members. Hence the present study is an attempt to analyse the economic impact of migration on the selected immigrants of Coimbatore city, with the specific objectives of finding out the impact of migration on the income earned by the migrants and analysing the changes in the per capita expenditure of the migrant households

The hypothesis tested in the study was

- migration enhances the income of the migrants and leads to a decline in the poverty level.

Methodology

To carry out the study, 500 migrants in Coimbatore city from the four zones and who were willing to provide the required data were selected. The following criteria were applied in the selection of the migrants:

- The migrant should be the prime earning member and the head of the household.
- The migrant should have migrated after 1991.
- The migrants should have been in the place of destination at least for a period of six months and
- The migrants must have been employed only in informal sector.

Before migration, 11.8 percent of the migrant households were below the poverty line. This percentage was high among petty traders (42.86 percent). Next to it about 19 percent of salaried households were below poverty line. Only 7.37 percent of vendors were below poverty line.

After migration the percentage of household below poverty line has significantly declined among the migrants of different households. On an average only 2.2 percent of the migrant households are below poverty line. Highest percentage is seen among the salaried and petty traders which was 7.14 percent in each. The analysis reflected that migration has reduced the percentage of people living below the poverty line.

Major findings of the study

The analysis was carried out based on the occupation in which the migrants were placed in the place of destination. The occupation-wise distribution of the migrants was as follows: Vendors-95, Salaried-42, Petty traders-14, Wage earners- 234 and Construction workers – 115.

Income of the migrants

Migration is mainly for survival. The low income strata people migrate to enhance their standard of living through rise in the income level. The following Table gives the average income earned by the migrants before and after migration.

Table 1. Income of the selected migrants

Occupation	N	Average Income (Rs)		
		Before migration	After migration	T
Vendors	95	1357	4344	28.67**
Salaried	42	1457	3958	12.69**
Petty traders	14	1844	3971	7.00**
Wage earners	234	144	4406	39.88**
Construction workers	115	1543	4328	23.61**
Total	500	1467	4336	54.82**

Source :. Estimates based on field survey, 2008.

On an average the monthly income of the migrants was Rs 1467/- before migration. The migrants who run petty shops were earning a higher income (Rs.1844). After migration there is a perceptible change in the income earned by the migrants. On an average they earned Rs. 4336/- after migration. This amount was the highest among the daily wage earners (Rs 4406) and the lowest among the petty traders (Rs. 3971). The table shows that the income of the migrants in all occupation have shown significant increase.

To find out whether this increase was statistically significant, paired 't' test was

applied. The calculated 't' values are shown in the above table. From the t values it is inferred that there is significant increase in the income of the migrants after migration. The analysis thus reveals that migration has made a positive impact on the income of the migrants.

Total family income of the migrants

Total family income of the migrant refers to the income from all sources. It also includes the income contributed by all the members in the family. Table 2 shows the average family income of the migrants before and after migration.

Table 2. Average family income of the migrants

Occupation	N	Average family Income (Rs)		
		Before migration	After migration	T
Vendors	95	2417	4489	12.467
Salaried	42	2761	4101	4.251
Petty traders	14	2515	4507	3.778
Wage Huge earners	234	2538	4536	23.084
Construction workers	115	2516	4616	13.306
Total	500	2528	4508	28.282

Source :. Estimates based on field survey, 2008.

The table reveals that the average family income of the migrants was Rs. 2528/- before migration. This has considerably increased to Rs. 4508/- after migration. For migrants in all the occupations, there is a perceptible increase in the average family income after migration. To find out whether there was a significant increase in the average family income of the migrants, 'paired t test' was applied. The null hypothesis tested was

H_0 : There was no significant difference in the average family income of the migrants after migration.

H_a : There was significant difference.

From the above table it is inferred that migration has made a significant impact on

the family income. There is a significant increase in the family income of the migrants. The analysis reveals that

- Migration has exerted a positive impact on the family income, irrespective of the occupation in which the migrants were placed.

Impact on per capita expenditure

The monthly per capita expenditure is a tool for measuring whether the people are below or above the poverty line. People migrate to escape from poverty and to improve their standard of living. The average per capita expenditure of the households of the migrants before and after migration, is shown in Table 3.

Table 3. monthly per capita expenditure of the households

Average per Capita expenditure	Average per capita expenditure (Rs)			Significance level
	Before migration	After migration	't'	
Vendors	688.3	1925	17.192	0.00
Salaried	634.9	1671	9.216	0.00
Petty traders	549.4	1458	2.941	0.011
Wage Huge earners	754.4	1753	24.561	0.00
Construction workers	675.3	1682	14.746	0.00
Total	707.8	1754	33.67	0.00

Source :. Estimates based on field survey, 2008.

On an average, the monthly per capita expenditure was around Rs. 700/- before migration. This increased to about Rs. 1750/- after migration. The average per capita expenditure was the lowest among the petty traders before as well as after migration. To find out whether the per capita monthly

expenditure has significantly increased after migration 'paired t test' was applied. The null hypothesis tested was

H_0 : There is no significant difference in the average per capita monthly expenditure with migration.

H_a : There is significant difference

The calculated 't' values being significant at 1 percent level implies that the null hypothesis is rejected. The per capita monthly expenditure has significantly increased among the migrants in the different occupations.

Based on monthly per capita expenditure, an attempt was made to find out how many households have come out of

the poverty line because of migration. An estimate of the rural poor was made on the basis of official estimate of Rs. 327.60 as poverty line for rural areas and Rs. 454.10 for urban areas (Planning Commission, Tenth Five Year Plan-2002-07). Based on this classification, the number of migrant households below and above the poverty line before and after migration were calculated and are shown in Table 4.

Table 4. Distribution of migrants based on poverty level

Occupation/ Poverty line		V	S	PT	W	C	All
Before migration							
Below poverty line	N	7	8	6	21	17	59
	%	7.37	19.05	42.86	8.97	14.78	11.80
Above Npoverty line	N	88	34	8	213	98	441
	%	92.63	80.95	57.14	91.03	85.22	88.20
All		95	42	14	234	115	500
After migration							
Below poverty Nline	N	1	3	1	4	2	11
	%	1.053	7.143	7.143	1.709	1.739	2.200
Above poverty line	N	94	39	13	230	113	489
	%	98.95	92.86	92.86	98.29	98.26	97.80
All		95	42	14	234	115	500

Source :. Estimates based on field survey, 2008. N-Number Stated

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Conclusion

Labour migration, an important livelihood strategy in India, has considerable impact on individuals and households. Field study findings show that migration has significantly raised the income and improved the standard of living of the migrant households and facilitated a significant

decline in the number of households living below poverty line. In short, migration has benefited the migrant households in terms of improving their income and standard of living and facilitated a significant decline in the number of households living below poverty line. Migration, in India is an important livelihood strategy. Hence the policy makers have to take proper initiatives to promote the safeguard and welfare of the migrants.

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