

Gulf Migration, Remittances and Economic Impact

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ABSTRACT Globalisation around the world has resulted in labour movement between labour markets. Migration from one country to another country has become a common phenomenon. This international migration contributes to the development of both sending as well as receiving countries even though the contribution to sending country is significant. The contribution of migration to development can be seen at family level and community level. At family level, migration may improve household earnings, food, health, housing and educational standards. At the community level, improvement can be noticed in health, education, sanitation and infrastructure benefiting both migrants and non-migrant households. The oil boom of 1973 in Persian Gulf motivated the oil exporting countries in the region to come out with development plans constrained by labour shortages. This new labour market attracted both skilled and unskilled labour from the countries like India, Sri Lanka, Pakistan, Bangladesh and South East Asian countries. The poverty, unemployment, low wages and poor standards of living in India caused many Indians to migrate to Gulf to encash the new opportunities. In India the southern state of Kerala received much attention in the 1970s in view of the large number of emigrants to gulf countries which resulted in a paradigm shift in the socio-economic conditions of certain regions in Kerala. It is worth noting that Kerala State alone received Rs.18465 crores of remittances from gulf regions during 1999-2004. On an average, remittances from gulf country contribute 22 percent of state income. This paper examines the contribution of gulf migration to Indian economy. Attempts are made to study the volume of remittances and its impact on the economic development. Efforts are also made to bring out the consequences of migration on social conditions and its impact on labour market.