

International Migration from Rural Punjab- An Analysis

Anusandhan-NDIM's Journal of Business and Management Research

Vol.4, Issue 2

August - 2022

<https://qtanalytics.in/journals/index.php/ANUSANDHAN>

<https://doi.org/10.56411/anusandhan.2022.v4i1.2-12-21>

Ms. Nivedita Agnihotri, PhD Research Scholar, Punjabi University Patiala, Punjab, India.

Dr. Apra, (co-Author) - Assistant prof. at Govt. Vikram College, Patiala, Punjab, India.

Prof. Anupama, (Co-Author) - Professor and Head of the Department of Economics, Punjabi University Patiala, Punjab, India.

Abstract: *This study is designed to analyze the overall causes and impacts of migration. This study examines those determinants of international migration which inspire the people of low income in less developed countries to migrate to high income developed countries. This Research is purely based on primary data which has been collected from the fifteen villages of two districts of Punjab namely Jalandhar and SBS Nagar. The primary aim of this research was to know about the impacts of international migration on rural Punjab. During the survey it has been noticed that international migration has brought very notable changes in the migrant sending areas. As the thinking level of migrants' family members had changed a lot and remittances sent by NRIs also improved their financial conditions enormously. Remittance recipient households utilize these remittances for various motives such as for repayment of loan, for construction purposes, to purchase household goods and for donation purposes also.*

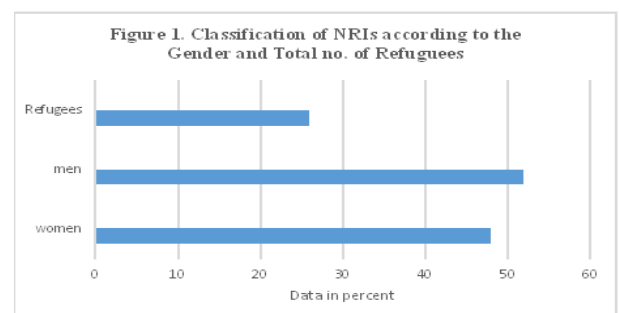
Keywords: International Migration, low income countries, Remittances, Utilize, donations.

Introduction

Migration is a movement when people migrate from one area to another with the aim of settling permanently or temporarily in the new area. People start moving to one spot then onto the next because of their different causes, like for marriage, for higher education and for more work employment opportunities. Today, migration is mostly a matter of private interest; to fulfill their various motives people migrate from under developed countries to developed countries. (Park, 1928).

Over the last 50 years, global migration from developing countries to developed countries has steadily increased. According to the World Migration Report, the total number of international migrants in 2019 was 272

million, accounting for 3.5 percent of the world's population. Of these international migrants, 48percent were women and 52percent were men. The total number of refugees is about 26 million, the highest since the record began in 2020 (Figure 1). Turkey was the largest recipient of millions of refugees, primarily from Syria (World Migration Report, 2020).



Source- World Migration Report, 2020.

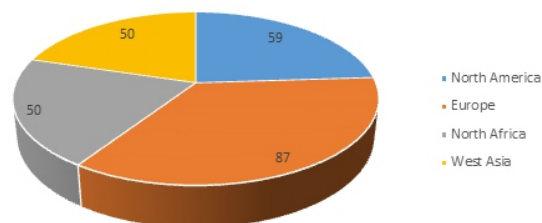
Since the mid-1990s, regional conflicts have increased the proportion of migrants to OECD (Organization for Economic Co-operation and Development) countries. Refugees and asylum seekers make up the majority of these migrants. Migration plays an important role in increasing the population of the host country. They face the majority of foreign births in the total number of births. In 1999, new migration trends were observed in some destination countries. For example, most people migrated to the United Kingdom instead of Japan or Canada. Note that Australia, Sweden, the United States and France accept family-related migrants, and the United Kingdom and Canada accept employment-related migrants (OECD, 2001)

Among the major regions of the world, the largest number of international migrants, about 87 million, in 2020 resided in Europe. North America hosted 59 million, which is the second largest number of migrants, North Africa and Western Asia followed with 50 million. About two-thirds of all international migrants live in high-income countries, compared to only 31 percent in middle-income countries and about 4 percent in low-income countries. India is the top source of international migrants, according to the data of 2020, with 18 million people born in India residing in other countries (United Nations, 2019).

Among the major regions of the world, Europe had the foremost number of international migrants in 2020, at around 87 million. North America has accepted 59 million, the second highest number of migrants, followed by North Africa and West Asia with 50 million (figure 2). About two-thirds of all international migrants live in high-income countries, but only 31 percent in middle-income countries and about

4 percent in low-income countries. According to 2020 data, India is a major source of international migrants, as 18 million Indian-born people lived in other countries (UN, 2019).

Figure 2. Classification of International Migrants residing in the different regions of the world



Source- United Nations Report, 2019.

Concept of Brain-Drain- Migration also leads to the acquisition of the brain. The IOM (2011) defines brain drain as the transfer of human capital from developing countries to developed countries. These migrants have the skills, savings and efficiencies available in developing countries (hometowns). Many migrants from developed countries have returned to India due to the international crisis, 9/11 attacks, attacks on Australian students, and other related issues. These talented migrants can create new industries, manage old and sick industries, and make a profit in their hometowns. The savings of these migrants can also be used for better resource use, helping India establish a strong position in the international market. Highly skilled migrants also have excellent knowledge of information technology. This knowledge will help you develop your IT center. They can improve India's image in the international market by sharing knowledge and expanding new business networks. Migration changes the way migrants think about their families in many ways. When people migrate from one country to another, he / she learns a lot about the new

environment and culture. A new culture and environment permeates his thoughts and lifestyle, and years or years later, his family also visits the foreign country where their family migrated. They also learn a lot from the new environment (Dubey & Mallah, 2015).

International migration from Punjab began in the colonial era. The proportion of Punjab migrants at the world level is steadily increasing. Most Punjab migrants preferred to migrate to the western countries of the developed world, but some of the less educated low-income earners migrated to the Gulf countries. These migrants also send money to their families (like remittances). This is very helpful for the development of the country of origin (Kapuria & Birwal, 2017).

Punjab is a state in northwestern India. It borders Pakistan, Jammu & Kashmir, Himachal Pradesh, Haryana and Rajasthan. Many have migrated from Punjab over the years, especially from the Doaba region, which consists of four districts: Kapurthala, Hoshiarpur, Jalandhar and Shaheed Bhagat Singh Nagar (Nawan Shahar) (Saha, 2009). These districts have a long history of migration from rural areas, especially during the post-independence period. Originally most of the people in the region preferred to move to the UK, but gradually this trend changed and various skilled and semi-skilled people moved to other industrialized countries such as the United States, Australia and Canada etc. (Saha, 2012).

Significance of the Study- The main goal of this research is to look at how international migration affects migrants' families in rural Punjab as well as their home countries. Migrants' and their families' lifestyles alter as a result of migration. This research will look at the overlapping effects of migration direction, remittance flow,

frequency and pattern of utilization. This research will aim to uncover the interconnections between the ownership of physical and human capital. As a result, the findings of this study will be useful to policymakers, planners, administrators, and researchers in understanding why out-migration has various effects on different people with diverse personal circumstances.

Objectives: The main objectives of this study are to examine the causes behind migration, to analyze the expenditure on migration and to measure the impact and utilization of remittances.

Data and Methods- This research is mainly based on primary data. Primary data has been collected using a well-structured questionnaire through a survey method. The survey has been conducted with a sample of 375 households in the fifteen villages of two districts namely Jalandhar and SBS Nagar of Punjab.

Review of Literature

Faini (1994) explained that workers' remittances represent a sizable component of international trade flows in goods and services. Based on the secondary data, he found out that in 1988, workers' remittances were equal to \$ 65 billion, accounting for almost eight percent of worldwide trade in services for developing countries; in particular, the importance of remittances is often substantial. This is typically the case when such countries have been at the origin of large scale migrations. For Maghreb countries, for instance, workers' remittances totalled \$ 2.3 billion in 1988. In Morocco alone, they reached \$ 1.45 billion, accounting for 44 percent of merchandise exports and contributing more than phosphates to total foreign exchange earnings. Furthermore, this study describes how

remittances provide a substantial contribution to foreign exchange earnings for many developing countries. At the same time, it was shown how workers' remittances are affected by key macroeconomic variables such as interest rates and particularly exchange rates. Both sets of regressions indicate a substantial impact of the real exchange rate. This study also suggests that remittances are negatively related to income in the migrants' home country. This finding would seem to suggest that altruistic considerations are a major determinant of remittance behavior.

Neil (2003) summarized a report of a meeting on "Using Remittances and Circular Migration as Drivers for Development" hosted by the Center for Comparative Immigration Studies at the University of California San Diego on April 11-12, 2003. In this meeting, the issues related to migration and development have been discussed and the main aims of this meeting were to resume those concepts of migration that continue to reverberate, and build upon them with new ideas and open a discussion on the remittances, as drivers of economic development. In this meeting the expert found that remittances are the larger flows to the developing countries than any official development support. In developing countries, remittances are an efficient way to raise the income of the poor, because remittances are directly spent by the emigrant's family. Furthermore the interventions to make remittances a more effective development tool must be incentive based, rational and informed by further research. Well informed policies should be made by the government to efficiently manage migration and boost its benefits.

Dustman et al. (2007) investigated the socio-economic impact of migration and summarized the characteristics of

migrants in the United Kingdom and especially in Wales. The proportion of working-age migrants in Wales has been observed to be relatively low compared to other parts of the United Kingdom. In other parts of the UK, non-white migrants had significantly lower employment rates than white Welsh migrants, but unlike other parts of the UK, the average wages of these two groups were about the same. The study also reported that among non-white migrants in the United Kingdom and Wales, Indians have higher employment rates than black Africans. Low-skilled migration is used to make up for temporary or seasonal labor shortages. Countries such as Finland, Greece and Hungary have introduced several schemes to encourage the entry of seasonal agricultural workers.

Singla & Allamraju (2010) recently discovered that personal remittances to India have a very strong impact on the balance of payments. As migrants become more dependent on sending money through formal channels, the cost of sending money through these channels is decreasing. Remittances are also considered as an important source of global development funding. According to this study, there is an urgent need to develop a comprehensive database of remittance flows in India to investigate remittance savings and investment patterns, and appropriate policies for investigating macroeconomic issues are also needed.

Considering the importance of international migration, Koczan et al. (2021) identified the impact of international migration on inclusive growth. They said that international migration has played a decisive role in the development of the migrant economy. Developing countries in particular have been influenced in several ways. Relocation resulted in a

loss of human capital, which was compensated by raising the income level of the households receiving the remittance. Migrants also tend to improve performance, generate new ideas and apply their expertise. They contributed to the long-term budget balance and helped stimulate international trade. The study concluded that migration brings both opportunities and challenges to both the country of origin and the country of destination. Therefore, it is the job of politicians to master the challenges and to take the advantage of opportunities.

Table 1: Distribution of Sampled Households and the number of NRIs according to the Destination of the Emigrants

Particular	USA & Canada	Australia & New Zealand	UK	Europe	Asia	Total
Jalandhar and SBS Nagar						
Households	119	37	63	58	98	375
	(31.73)	(9.87)	(16.8)	(15.47)	(26.13)	(100)
NRIs	231	47	89	97	115	579
	(39.9)	(8.12)	(15.37)	(16.75)	(19.86)	(100)

Source: Primary Survey, 2019. Figures in () are percentages.

Table 1 shows the distribution of households belonging to NRIs in the selected district. Of the 375 households surveyed, a total of 579 have migrated abroad. From the table above, we can see that 231 of the 119 households (39.9 percent) migrated to the United States and Canada, compared to 8.12 percent for Australia and New Zealand as destination countries. The remaining 52 percent of NRIs, 15.37 percent, 16.75 percent, and about 20 percent of NRIs moved to the United Kingdom, Europe, and Asia, respectively.

Table 2: Distribution of Sampled Households, according to the Total Family Members Living Abroad

Particular	USA & Canada	Australia & New Zealand	UK	Europe	Asia	All
Jalandhar and SBS Nagar						
Male	66.67	78.72	79.77	77.32	93.91	76.68
Female	33.77	21.27	20.22	22.68	6.09	23.31

Source: Primary Survey, 2019. Values given in table are percentages.

To begin with, Table 2 shows the country and gender distribution of people who have migrated. The combined data from both districts show that of the total number of family members who have migrated, a large majority are men, as we can see that around 67 percent, 79 percent, 80 percent, 77 percent and 94 percent of the members who migrated to the United States and Canada, Australia and New Zealand, the United Kingdom, Europe and Asia, respectively, are men. The proportion of migrant men is even higher in each group, it is much higher in the case of Asian countries than in other countries, but the situation is different in the US and Canada, where the proportion of migrant women is only half from the men members of this group.

Table 3: Distribution of the number of NRIs according to the Reasons for Living Abroad

Particular	USA & Canada	Australia & New Zealand	UK	Europe	Asia	All
Jalandhar and SBS Nagar						
No work	12.55	6.38	6.74	14.43	13.91	11.74
Not enough work	26.84	23.4	38.2	32.99	66.96	37.3
Education	15.58	1.06	3.37	-	-	10.88
To follow family	23.38	10.64	34.83	40.21	10.43	24.35
Luxurious life style	25.54	25.53	20.22	26.8	4.35	20.72
Attraction	19.48	31.91	29.21	25.77	5.22	20.21
Wage difference	7.79	19.15	22.47	20.62	57.39	22.97
Spouse	18.18	14.89	24.72	11.34	1.74	14.51

Source: Primary Survey, 2019. Values given in the table are percentages.

There are many reasons to play an important role in the migration. This may be due to the lack of decent employment opportunities in their home country, forcing them to go abroad in search of a better job. Some students prefer to go abroad for higher education, some follow their families, and some are based on marriage. For Punjab, these patterns can be observed from Table 3.

This table shows that in the two sample districts, 11percent and 14.51 percent migrated for higher education and marriage, respectively. Most people (37.3percent) migrated because they did not have enough work in their home countries, and 24.35 percent migrated with the help of their families or to follow them. Luxurious lifestyle attracts about 41 percent of migrants. Low wages are also another major cause of migration, as people feel that they are not fully rewarded for their efforts and therefore prefer to move to other countries where they receive satisfactory wages. About 23 percent of NRIs are migrated due to wage gaps between their country of origin and their destination.

Migration Cost, Remittances and other impacts of Migration

When people think of leaving the country, they have to spend a lot of money on various migration processes, which include visa fees, agent contract fees, tuition fees, etc. In general, spending on migration to industrialized countries is significantly higher than spending on migration to Gulf countries. Sometimes, poorly trained and innocent workers often fall into the trap of fraudsters because of the high cost of hiring due to lack of transparency. Therefore, in these situations, they have to suffer losses, resulting in increased migration costs

(Khadria, 2006). Therefore, it is important to consider the scope and structure of migration costs in the study area.

Table 4: Distribution of NRIs according to the Expenditure on Migration and Remittances by NRIs

Particular	USA & Canada	Australia & New Zealand	UK	Europe	Asia	All
Jalandhar and SBS Nagar						
Expenditure	412,641	544894	235,168	217,887	124,000	306,140
Remittances	404,935	595,745	353,933	407,216	264,348	385,044

Source: Primary Survey, 2019. Values given in the table are average values.

Figure 4 shows per member expenditure incurred by the family to send them abroad and the amount of remittances they receive from them annually. A quick view tells that the expenditure on migration is actually compensated in about two years. Thus, the cost of the migration will be recovered in about two years. The combined picture of both districts table demonstrates that the average expenditure for the Asian countries group is lowest among all the groups; it is around Rs.1.24 lakh as against the receipts of Rs.2.64 lakh of annual remittances. The main reason for the lowest expenditure on migration to Asian countries is that the visa process and ticket fees of Asian countries are simple and low, so a number of lower middle class people prefer to migrate to Asian countries. The countries like Australia and New Zealand have shown not only the highest expenditure (Rs.544,894) incurred on a member for sending him abroad but also the highest amount of receipts of remittances (Rs.595,745) per NRI member among two districts. The total average expenditure of all the groups stands for Rs.306,140 and the average remittances of all groups are Rs.385,044.

Remittances from NRI are very important for the development of developing and underdeveloped countries, raising the level of investment and building cultural and social networks. In the case of Punjab, the state government recognizes that the funds sent by NRI contribute significantly to the development of the state's economy by improving the lifestyles of many families (Chanda and Ghosh, 2013).

Table.5: Distribution of NRIs according to the Change in Thinking of Migrant

Particular	USA & Canada	Australia & New Zealand	UK	Europe	Asia	All
Jalandhar and SBS Nagar						
Yes	62.34	65.96	49.44	58.76	15.65	50.78
No	-	-	4.49	5.15	46.96	10.88
Moderate	37.66	34.04	46.07	36.08	37.39	38.34

Source: Primary Survey, 2019. Values given in the table are percentages.

It was nice to know that in both of the districts; most of the migrants' families noticed a pleasing change in their behavior and way of thinking. It is observed that in both districts, migration has brought about a positive change in the way of thinking of 50.78 percent of migrants, but only a moderate impact on 38.34 percent of migrants. This means that some migrants have changed their attitudes, but in some cases they have the same rigorous thinking as before they migrated. It's a little sad to know that about 11 percent of migrants couldn't change their mindset after migration. Most of these migrants showed no signs of changing their attitudes (46.96 percent) came from Asian countries, and a few from the United Kingdom (4.49 percent) and Europe (5.15 percent). There are two basic reasons for this. Migrants to such destinations do not experience cultural change, as

Gulf countries are already considered to follow orthodox social norms. The second reason is that it is not easy to analyze opinions on many issues, as some migrants have just recently migrated to their destination country.

Table 6: Distribution of Households according to Receipt and Non-Receipt of Remittances

Particular	USA & Canada	Australia & New Zealand	UK	Europe	Asia	All
Jalandhar and SBS Nagar						
HH Receiving Remittances	89.91	78.38	96.82	84.48	100	91.73
HH Not Receiving Remittances	10.08	21.62	3.17	15.52		8.27

Source: Primary Survey, 2019. Values given in the table are in percentages.

From the above table it can be easily seen that most of these households receive remittances from NRI relatives. In both districts, about 92 percent of households receive remittances and 8 percent are non-recipients. This percentage is higher for migrant households belonging to the United Kingdom (96.82 percent) than households belonging to the United States and Canada (89.91 percent), Australia and New Zealand (78.38 percent), and Europe (84.48 percent). This figure shows that all households belonging to Asian countries receive remittances. A quick look at households that have not received remittances reveals that approximately 21.62 percent of NRIs households belonging to Australia and New Zealand have not received remittances. This percentage is 10 percent in the United States and Canada, 3 percent in the United Kingdom and 15.52 percent in Europe groups.

Table 7: Distribution of households according to the Utilization of Remittances

Particular	USA & Canada	Australia & New Zealand	UK	Europe	Asia	All
Jalandhar and SBS Nagar						
Business	8.41	13.79	11.47	12.24	15.31	11.92
Farm machinery	13.08	34.48	19.67	18.37	15.31	17.44
House construction	47.66	48.27	68.85	46.94	62.24	55.52
Household Goods	74.77	89.65	88.52	79.59	88.77	83.14
Medical services	57.94	65.52	55.74	63.26	52.04	57.27
Education services	16.82	44.83	34.43	24.49	41.84	30.52
Social and family function	54.2	82.76	81.97	59.18	80.61	69.77
Repayment of loan	19.63	44.83	13.11	30.61	26.53	24.13
Donation	34.58	27.59	40.98	46.94	14.28	31.1

Source: Primary Survey, 2019. Values given in table are in percentages.

In addition, Table 7 shows the distribution pattern of remittance usage. When people receive remittances, they use it for various purposes such as purchasing agricultural tools and household goods, education, and for social and family functions. Including all migrant households, it is investigated that more than 75 percent of households in all groups are remitted and use remittances to buy household items. This is the one with the highest remittances usage of all five groups. The second major use of remittances is for social and family functions, accounting for about 70 percent. As we know, Indians spend a lot of money on social and family opportunities, especially for marriage. In our country, marriage is regarded as concrete evidence of the socio-economic status of the family. As a result, upper middle class families spend a lot of money on weddings, and competing middle class families also spend huge amounts on their children's weddings. Therefore, this is the main cause of the second most important remittances used in home countries. The use of remittances

in medical services (57 percent) and home construction (about 56 percent) is very similar in NRI households. When middle-class and middle-class people receive remittances, they spend money for property, household goods purchases, or social ceremonies, whereas middle-class people use remittances for construction purposes.

The results show that in both districts, more than 60 percent of households belonging to the UK and Asian countries use remittances for construction purposes. The use of remittances for the purchase of agricultural machinery is very low (17.44 percent), and it has been observed that remittances are the least used for business purposes. In the group wise distribution we can see that 17 per cent, 45 per cent, 34 per cent, 24 percent and about 42 percent households use their part of remittances for education services also respectively from the first to fifth group of countries. The findings also revealed that out of all households, 24 percent households use remittances to repay the loan and 31 percent use it for the donation purpose.

Findings and Conclusion- Findings of the study reveal that people migrate to abroad due to their various motives like to study abroad, for marriage purpose or due to the lack of suitable employment opportunities in India. It is observed that migration has brought some progressive changes in the life of migrants' family members especially for women. Women living in home countries have got much freedom than before. During the survey it has been noticed that expenditure on migration is compensated by remittances in the majority of the households. Households who receive remittances use it for purchasing household goods, for construction, social and family functions and for donation purposes also.

From the above study it can be concluded that migration has both the positive and negative impacts, but the negative impacts of migration are very few as compared to positive impacts. Migration plays a very crucial role in the development of host and home countries, as host countries utilize the potential of young minds and home countries benefit by remittances. These remittances play a significant role in raising the standard of living of receiving families, areas and also helpful to solve the balance of payment problems of the country.

Suggestions

To keeping in view the above research it is suggested that government of home countries, should use remittances for productive purposes, and government should aware people that they should use remittances for more developmental purposes like to build schools, hospitals or other charitable institutes rather than extravagant expenditure on lavish marriages and family functions.

References

- Chanda, R. and Ghosh, S. (2013). The Punjabi diaspora in the UK: An overview of characteristics and contributions to India. Retrieved 02-10-2019, from <https://cadmus.eui.eu/handle/1814/29470>
- Dubey, S. & Mallah, V. (2015). Migration: causes and effects. *The Business and Management Review*, 5(4), 229-232.
- Dustmann, C., Frattini, T., & Glitz, A. (2007). *The Impact of Migration: A Review of the Economic Evidence*. Centre for Research and Analysis of Migration (CREAM), Department of Economics, University College London, and E-Policy LTD
- Faini, R. (1994). Workers' Remittances and the Real Exchange Rate: A Quantitative Framework. *Journal of Population Economics*, 7(2), 235-245.
- International Organization for Migration (2011). *Glossary on Migration 2nd Edition*. [International Migration Law]. Geneva. Retrieved 12-04-2021, from <https://www.corteidh.or.cr/sitios/observaciones/11/anexo5.pdf>
- International Organization for Migration (2019). *World migration report 2020*. Geneva. Retrieved 14-05-2021, from https://publications.iom.int/system/files/pdf/wmr_2020.pdf
- Kapuria, S. & Birwal, D. (2017, January). International migration from Punjab: trends and challenges. *Researchpedia*, 4(1), 24-36.
- Khadria, B. (2006). *India: Skilled Migration to Developed Countries, Labour Migration to the Gulf*. [working paper]. Retrieved 28-11-2020, from <http://meme.phpwebhosting.com/~migracion/modules/ve7/2.pdf>
- Koczan, Z., Peri, G., Magali, P. & Rozhkov, D. (2021). The impact of international migration on inclusive growth: A review. [Working Paper 21/88, March]. International Monetary Fund. Washington, D.C.
- Neil, K. (2003). *Discussion on migration and development: Using remittances and circular migration as drivers for development*. [A Report]. Migration Policy Institute, Washington, D.C

- OECD (2001). Trends in international migration. [Annual Report]. Organisation for Economic Co-operation and Development, Paris (France). Retrieved 09-11-2019, from <https://www.oecd.org/migration/mig/2507635.pdf>
- Park, E. R. (1928). Human migration and the marginal man. *American Journal of Sociology*, 33(6), 881-893.
- Saha, K. C. (2009). Smuggling of migrants from India to Europe and in particular to the UK: A study on Punjab. [Report]. United Nations Office on Drugs and Crime, New Delhi. Retrieved 07-08-2021, from https://www.unodc.org/documents/human-trafficking/Smuggling_of_Migrants_from_India_to_Europe_-_Punjab_Haryana.pdf
- Saha, K.C (2012). CariM-india - developing a knowledge base for Policy Making on india-eU Migration Irregular migration from India to the EU: Punjab & Haryana Case Study. Retrieved 07-11-2018, from <http://www.shram.org/uploadFiles/20180313081135.pdf>
- Singla, S. & Allamraju, A. (2011) The economics of migrant workers' remittances to India. *ASCI Journal of Management*. 40 (1), 17-30.
- UN (2019). International Migration 2019 [Report]. United Nations, New York. Retrieved 07-01-2019, from https://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/InternationalMigration2019_Report.pdf