Changing Migration Trends in Kerala

What is the issue?

- The Gulf had, for long, funded the Kerala development story by absorbing its labour and providing remittances.
- But the recent changes in migration trends pose challenges for the state of Kerala in terms of the economy, labour and welfare.

How had the migration been?

- Nearly a quarter of the households in Kerala have a migrant, and 90% of migrants from the state are in Gulf countries.
- Kerala's outward migration has co-existed with inward migration of labour from northern and eastern India.
- Nearly 2.5 million migrants, mainly from WB, Odisha, UP, Bihar, are a part of the workforce in Kerala, in relatively low-paying jobs.

What are the recent changes?

- The overall migration from the state has been showing a negative trend in the last 5 years.
- Over the past decade, the number of people migrating to the Gulf has fallen.
- It stands at 1.89 million in 2018, down from 1.94 million in 2008.
- On the other hand, the number of reverse migrants has gone up in the same period.
- The factors forcing reverse migration of Keralites from the Gulf region include -
    i. economic slowdown in the Gulf countries
    ii. state policies favouring replacement of migrants with local labour
    iii. influx of workers from Africa and countries such as the Philippines
- The prolonged slowdown since 2008 and visions of a post-oil economy influenced some of the labour polices.
- E.g. Nitaqat in Saudi Arabia encouraged employment of local labour over migrants
- Also, over the period, the high remittances facilitated Kerala's welfare society and significantly, the wages remained higher.
- But now, cheaper labour is available from other countries in the Gulf and from other states of India in Kerala.

- With this, Kerala labour has become non-competitive in both the Gulf countries and within Kerala.
- Moreover, demographic changes, especially population reduction in the migration prone age-group, also affect the migration scenario.

What are the possible implications?

- The change of migration trend has serious repercussions for Kerala's economy and society.
- Any large-scale change in the numbers are sure to influence spending patterns at home, and thereby, Kerala's service economy.
- Fortunately, the rising dollar-rupee exchange rate has prevented a fall in foreign remittances to Kerala.
- However, the return of a large number of migrants, many of them blue collar workers, could affect employment in Kerala.
- The trend may also impact the consumption and retail trade in the state.
- Moreover, the low-skilled among them have to now compete with the non-Malayali internal migrants.

What measures has the state taken?

- The state government realises the implications of this trend and has been introducing policies to balance the reverse migration's impact.
- The recent state budget has proposed new pension, savings and loan schemes for expatriates.
- Loans, technical advice to start businesses, have been offered to integrate the returning migrants in the local economy.
- However, it is too early to say if these steps are sufficient to address the looming crisis.

Source: Indian Express

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