

Remittances Matter: Understanding from Four States of India

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International remittances are important to the recipient households. They increase the recipient family's income and change the expenditure patterns. Overall, the expatriate income helps to substantially alleviate the poverty, decrease unemployment, and improves health and education outcomes for the recipient households. The current paper examines the importance of remittances to the family through their utilization aspects of receipt analogs. The Reserve Bank of India (RBI) surveyed data of selected nine districts from four states namely Kerala, Tamil Nadu, Maharashtra, and Punjab, has been used for the study. The analysis concludes that remittances are more powerful in rural areas than urban areas. Similarly, types of transfer receipts play a crucial role in the utilization aspects of remittances. The findings show that the remittances are mainly used for family maintenance, followed by health and educational purposes.

I Introduction

Labour migration is an inevitable part of the modern world and Indians have migrated to other countries for centuries. However, Kerala has positioned itself as one of the largest labour out-migrants to other countries amongst the states in India. The other states like Punjab, Gujrat, Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu, Bihar, and Uttar Pradesh have also contributed to international migration. The migration has brought substantial remittances to these states (RBI, 2018). Kerala, specifically has a large share in the Gulf Cooperation Council (GCC) countries, due to more than 90 per cent of Kerala migrants working in Middle East countries. On the other hand, Punjab is known for its huge diaspora in Canada and United States of America (USA), and Gujarat having substantial number of their expatriates in United Kingdom (UK), US and Australia; whereas rest of the states have a mixed category of out-migrant at foreign destinations.

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