

INTERNATIONAL MIGRATION, REMITTANCES AND DEVELOPMENT IN RURAL PUNJAB

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This paper unleashes state of international migration, utilization pattern of remittances and their development role in rural Punjab using primary data. The findings reveal high migration propensity among the working members of sampled MHs in Punjab and substantial contribution of international remittances in their total annual income. MHs of NFH2 category derive whole of their income (100 per cent) from remittances and of category NFH1 derive 51 per cent. Average migration cost of MHs (₹3.51 lakh) is fairly higher than their annual remittances of ₹2.62, but is only 20 per cent of their total remittances received ever. Major portion of remittances are directed towards unproductive purposes like household's buildings and marriage ceremonies etc. However, handsome share of remittances used for investment purpose has gone for purchasing agricultural land, plots, and agricultural machinery etc. rather invested for self employment. Thus, the study brings out that international remittances occupy important place in terms of their contribution in income and employment of migrants households, but they could not result real capital formation in rural Punjab.

INTRODUCTION

International migration raises both hopes and concerns for India regarding development impact. India is one of the largest workforce exporting economy experiencing number one rank in receiving remittances today. Researchers used to ask whether international migration from nation has a positive or negative impact on socio-economic development. Evidence of successful growth of business and entrepreneurial activity by Punjabis settled abroad calls for a reassessment of Punjabi diaspora's potential role. The Indians and Punjab governments have also, although rather belatedly, woken up to this fact and now recognize that a healthy engagement with its diaspora, particularly the financial relations, is an important activity that they can potentially leverage to aid economic development. The annual Pravasi Bhartiya Divas has become a major vehicle for political and economic engagement and for showcasing diasporas achievements (Thandi, 2006).

Punjabis now become a global community with significant numbers settled in Britain, USA, Canada, and many other countries of the world. There are many Punjab away from Indian Punjab like South hall in London, Yuba City in California, Woolgoolga in Australia, and Surrey in British Columbia (Singh, 2003). *Punjabis* today are largely well settled and respected citizens of their host countries (Basi, 2007). Those who migrate in the 1960s and 1970s have kept alive their links to Punjab, and many are now in a financial position to pay back to the sacred land of Punjab to which they feel indebted. Cumulatively, their remittances to their native villages are totally changing the appearance of Punjab, particularly in the *Doaba* region (Chana, 2009). The *Punjabi* Diaspora, largely of rural descent continued to maintain links with their villages by sending remittances to their families. These remittances had a major economic and social impact on the receiving areas (Thandi, 1994). *Punjabi* NRIs contributed more than ₹200 crores in 477 villages in the two decades through 2002, which means an average contribution of more than ₹4 million (US\$

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100,000) per village. Furthermore, between 2002 and 2007, the amount contributed by NRIs in these villages was nearly equal to the total amount contributed through 2002 (Channa, 2009). It is a large sum and reflected the total amount contributed by NRIs in these villages. Therefore, *Punjabi* Diasporas' assistance to Punjab's social institutions is very extensive. The range of such help varies, from purely religious philanthropy to donations for education, health and social causes (Tatla, 2007). During the past decade, observers have noted that along with overseas Sikh visitors' conspicuous consumption, their alleged role in hiking property prices in several towns, the lavish marriages, and spectacular pop shows, they have also turned towards welfare-oriented projects. Organising eye camps, arranging marriages poor girls', helping the handicapped, and experimenting with large-scale village development projects are some of the examples (Tatla, 2009).

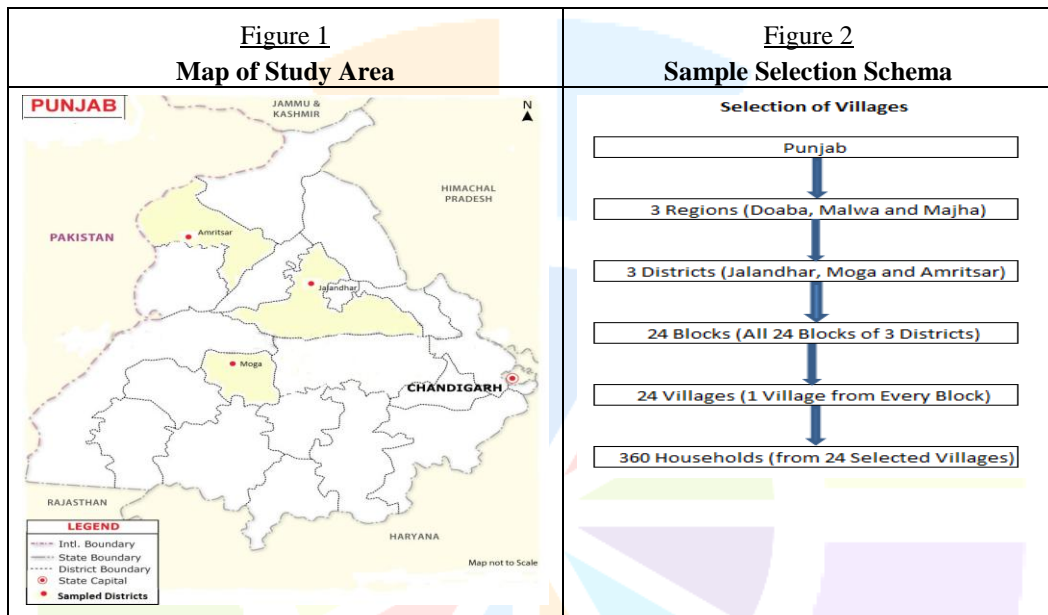
In view of the sheer volume, intensity, diversity, and significance of international *Punjabi* migration, a number of issues and questions surround this important phenomenon. In fact, migration is affecting every facet of life i.e. economic, social, demographic, political, and even religious in Punjab. With such rampant impact, one should have expected that there would be a large number of studies exploring the extent of emigration and assessing its impact on economic development of the state. Of course, there are a number of studies on internal migration providing useful information and produced good results, but research studies are lacking in the area of international migration effects on the economic development. Although, sociologists and tourists from Punjab have captured some of the effects of migration, it is not possible to establish using a priory reasoning how migration has affected the economy of Punjab. The net effect may be positive or negative, or it may happen that the individual migrant has affected in some way and the total setup in another. In this kind of fuzzy picture of socio-economic development impact of international migration, this paper analyses the remittances-use pattern and its impact on social and economic development in rural Punjab at micro and macro level using primary data collected from 24 villages of all three regions namely Doaba, Majha and Malwa of Punjab.

This paper has been organized into five sections. Beginning with introduction, section II of the paper provides brief review of literature and section III deals with methodological issues pertaining to primary data collection and its analysis. Results and discussions emerging out of data analysis are presented in section IV; and lastly, section V brings out concluding remarks.

BRIEF REVIEW OF LITERATURE

A large number of studies are available examining impact of international remittances on economic development and growth. The developmental impact of remittances, however, varies with their use made by the recipients. Majority of remittances are used for food and basic consumption (Lipton, 1980; Chandavarkar, 1980), that is not always so, and spending patterns are also influenced by gender-specific differences. Schiff et al., (2007) revealed that rather male-headed households, households headed by females are more likely to spend their remittances on food, consumer and durable goods, housing, health and similar goods in Ghana. Most of the studies since the 1990s suggest that households receiving remittances have a higher propensity to invest than those that do not have migrants (Massey et al., 1998; Taylor, 1999; Woodruff and Zenteno, 2007). Considerable evidence shows that remittances promote access to self-employment and increase investment in small businesses. Nonetheless, research has tended towards a negative

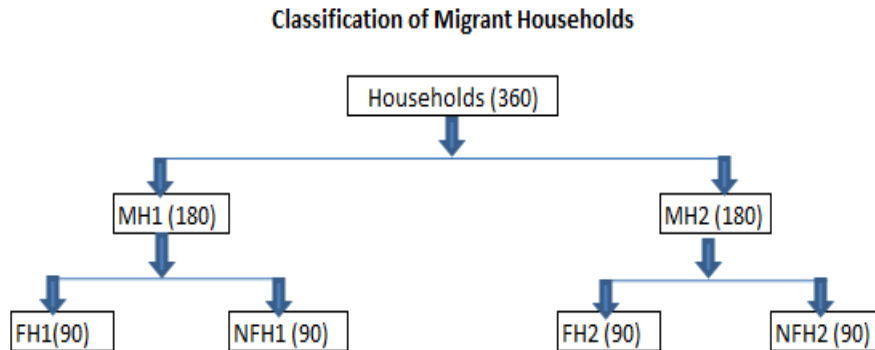
evaluation of remittance-based consumption as not contributing to development. However, provided remittances enhance local consumption this can produce positive effects by supporting local production and thereby job creation for non-migrants and increase income. However, such positive effects are more significant in the long run rather than short run through trickledown effect (de Haas, 2007). For instance, Rempel and Lobdell (1978), reporting on a survey of 50 remittance-use studies for the International Labour Office, asserted that most of the money remitted is used for increased consumption, education, and better housing.



There are some studies highlighting impact of international remittances on Punjab economy. Kaur (2003) analyzed remittances' utilization pattern of the migrant households (MHs) of Aujla village in Jalandhar district and revealed that MHs used remittances for various productive purposes to have desirable effects on the economy and society. Kullar (2006) examined the effect of foreign remittances on Punjab NRI farmers and also compared the saving, investment and consumption pattern of these farmers with Non-NRI farmers. She found that savings of NRIs were significantly higher as compared to Non-NRIs. However, impact of remittances on household expenditure or consumption was not significant for total NRI and on farm machinery was significant for Jalandhar district only. Similarly, Kaur (2007) has analyzed the impact of remittances on agriculture development of the Punjab economy and found that a major part of the remittances is used for house construction i.e. unproductive in the context of economy. Dhesi (2007) has elaborated two primary reasons for unsatisfactory contributions of overseas Punjabis (OPs) to development of Punjab economy. First, there is a lack of appreciation of the potentialities of village-linked OPs to contribute to development through direct investments. Second, there is a lack of institutional mechanisms, here and abroad, for channelizing diasporas capital flows into well-planned programmes and activities. On the other, Thandi (2007) and Tatla (2007) optimistically confirmed strong Diaspora-homeland links and also described the nature of

Diaspora-homeland links that need to be strengthened further and harnessed Diaspora's potential role in aiding the development process in Punjab economy.

Figure 3



DATA AND METHODOLOGY

Present study is entirely based on primary data of 360 migrant households collected from 24 villages of all three regions namely *Doaba*, *Majha* and *Malwa* of Punjab state. It is the known fact that *Doaba* region has experienced large-scale migration followed by *Malwa* and *Majha* regions of Punjab. Relying upon findings of reviewed studies, *Doaba* region is considered as highly developed due to the impact of international migration. However, due to late start of international migration, *Malwa* and *Majha* regions are assumed as middle and less developed regions, respectively. Using suitable sampling techniques, villages and households have selected as follows for conducting primary survey of migrant households (MHs).

Selection of Villages and Households

Purposive multi-stage sampling has been used to select villages for field survey and respondent households therein. At first stage, three districts namely Amritsar, Moga, and Jalandhar (see figure I) have selected from three regions i.e. Doaba, Malwa, and Majha, respectively through draw system using probabilistic random sampling. As per political map of Punjab, Amritsar, Jalandhar, and Moga Districts have 9 Blocks, 10 Blocks and 5 Blocks, respectively and all these 24 blocks are taken under survey at second stage. At third stage, 24 Villages have chosen from these 24 Blocks selecting on the basis of random sampling through draw system (see Figure II). Based on the information provided by Anganwari centers and panchayat members, 360 MHs have been surveyed from 24 selected villages of Punjab.

The Sample

Sample comprises of 360 MHs which are interviewed through a house-to-house survey in each selected village using stratified random sampling. Under this study, a migrant household (MH) refers to a household having anyone of its members migrated abroad or returned from abroad. MHs have identified on the basis of information provided by Anganwari Centers and Panchayat Members of respective villages and are classified into two broad categories: (i) MHs having local and migrant working members (coded as MH1) and (ii) MHs having only migrant working members (coded as MH2). Data of 180 MH1s and MH2s each have been collected using well-

structured questionnaire schedule. Each category of MHs has been further classified into two sub-categories namely (i) farm households (FHs) and (ii) non-farm households (NFHs) (see figure III). Thus, both MH1 and MH2 category households comprises 90 farm MHs and 90 non-farm MHs each. This classification of MHs has been performed particularly for exploring the nature, characteristics, and other aspects of international migration more intensively as it provides comparative analysis of different categories' MHs at micro and macro levels. Firstly, it compares MH1 and MH2 categories and secondly gives comparative picture of farm households (FHs) and non-farm households (NFHs). Since MHs are affected by international migration at micro level, Punjab economy at macro level have got its influence. In this regard, this categorization is useful for producing more meaningful analysis of the given problem. Primary data collected through survey has been analyzed using descriptive statistics according to the requirements of the study. All the results are presented into averages and percentages rather than actual values.

IMPACT OF REMITTANCES ON RURAL DEVELOPMENT IN PUNJAB: RESULTS AND DISCUSSIONS

Presently, Punjab state is one of the largest workers exporting states of India. The spread and presence of the Punjabi Diaspora all over the globe is a matter of great pride for Punjab. It is expected that remittances can be one of the most dynamic factor, which may play a key role to sustain economic development of Punjab economy in which agricultural crisis, industrial stagnation and increasing unemployment are deeply rooted. Pattern and impact of remittances send back by Punjabi migrants are analyzed here to evaluate their vital and constructive role in the economic development of Punjab economy.

Table 1a

Socio-Economic Characteristics of Migrant Households in Rural Punjab

Categories →		*MH ₁ = FH ₁ +NFH ₁			**MH ₂ = FH ₂ +NFH ₂			Overall
Particulars	Units	FH ₁	NFH ₁	MH ₁	FH ₂	NFH ₂	MH ₂	
	1	2	3	4	5	6	7	8
Sampled Households (a)	Numbers	90	90	180	90	90	180	360
Households' population (b)	Numbers	675	651	1326	602	488	1090	2416
Average Family Size (c)	Numbers	7.5	7.2	7.4	6.7	5.4	6.1	6.7
Working Members (d)	Numbers	259	272	531	143	110	253	784
	d as % of b	38.4	41.8	40.0	23.8	22.5	23.2	32.5
Dependents (e)	Numbers	416	379	795	459	378	837	1632
	e as % of b	61.6	58.2	60.0	76.2	77.5	76.8	67.5
Dependency ratio (f)	e/d	1.6	1.4	1.5	3.2	3.4	3.3	2.1
Local Working Members (g)	Numbers	88	100	188	0	0	0	188
	g as % of d	34.0	36.8	35.4	0.0	0.0	0.0	24.0
Migrant Working Members (h)	Numbers	171	172	343	143	110	253	596
	h as % of d	66.0	63.2	64.6	100.0	100.0	100.0	76.0

Source: Primary Survey.

Notes: *MH₁ refers First Category Migrant Households which have Local as well as Migrated Working Members. FH₁, - Farm Households of 1st category and NFH₁-Non- Farm Households of 1st category, and MH₁ is the sum of FH₁ and NFH₁. **MH₂ refers to Second Category Migrant Households which have only Migrated Working Members. FH₂-Farm Households of 2ndcategory and NFH₂-Non- Farm Households of 2nd category and MH₂ is the sum of FH₂ and NFH₂.

Socioeconomic Profile

Table 1a and 1b shows socio-economic characteristics of 360 surveyed Migrant households of three districts in Punjab comprising total population of 2416 with average household size of 6.7. District Jalandhar registered lesser family size than overall average and other two districts have family size more than overall average. Average family size of MH1 category households is more than overall average and of MH2 category households is less than overall average. It is quite visible from dependent-working ratio; the dependents burden on MHs of FH2 category and NFH2 category households is higher as compared to FH1 and NFH1 category. Dependent-working ratio of MH1 category MHs is recorded 1.5 as compared to 3.3 of MH2 category. Owing to this dependency burden, migrant working members percentage itself depicts that the MHs with high dependent-working ratio have been sending their working members abroad more for improving poor family conditions because these MHs could not sustain their livelihoods given limited sources and shrinking employment opportunities at home region.

Table 1b

Socio-Economic Characteristics of Migrant Households in Rural Punjab

Categories →		Jalandhar			Amritsar			Moga		
Particulars	Units	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total
Sampled Households (a)	Numbers	60	60	120	60	60	120	60	60	120
Households' population (b)	Numbers	360	300	660	499	405	904	462	390	852
Average Family Size (c)	Numbers	6	5	5.5	8.5	6.9	7.7	7.7	6.5	7.1
Working Members (d)	Numbers	167	130	297	125	111	237	128	122	251
	d as % of b	46.4	43.3	45.0	25.1	27.4	26.2	27.7	31.3	29.5
Dependents (e)	Numbers	193	170	363	374	294	667	334	268	601
	e as % of b	53.6	56.7	55.0	74.9	72.6	73.8	72.3	68.7	70.5
Dependency ratio (f)	e/d	1.2	1.3	1.2	3	2.6	2.8	2.6	2.2	2.4
Local Working Members (g)	Numbers	29	20	49	38	41	80	10	49	60
	g as % of d	17.4	15.4	16.5	30.4	36.9	33.8	7.8	40.2	23.9
Migrant Working Members (h)	Numbers	138	110	248	87	70	157	118	73	191
	h as % of d	82.6	84.6	83.5	69.6	63.1	66.2	92.2	59.8	76.1

Source: Primary Survey.

Notes: *MH₁ refers First Category Migrant Households which have Local as well as Migrated Working Members. FH₁, - Farm Households of 1st category and NFH₁-Non- Farm Households of 1st category, and MH₁ is the sum of FH₁ and NFH₁. **MH₂ refers to Second Category Migrant Households which have only Migrated Working Members. FH₂-Farm Households of 2nd category and NFH₂-Non- Farm Households of 2nd category and MH₂ is the sum of FH₂ and NFH₂.

Table 2 presents socio-economic characteristics of migrant working members. In the context of gender, all categories of MHs have recorded more than 80 per cent share of male working members migrated abroad. Notably, MHs of FH1 and FH2 categories have registered more migration of female members comparative to MHs of NFH1 and NFH2 categories. In fact, Indian society is largely patriarchal in nature and practice. The eldest male member takes all decisions and he enjoys privileges and high status in the family (Bal, 2003). The female in the family has a subordinate position and male head member generally takes all decisions regarding education, marriage, and migration of female family member. However, there exist mild gender inequalities in migration process among districts. On marital status, three-fourth part of the total working migrant members is married and one-fourth recorded as unmarried. The MHs of FH2 and NFH2 categories have recorded relatively more married members before migration than FH1 and NFH1 categories. Remarkably, these members are suppressed relatively more under family responsibilities as many of them are heads of the nuclear families in Punjab who are migrating

with huge risk as the livelihood of all the family members staying behind is at the stake of their settlement abroad. District-wise, MH1 category households have registered more migration of unmarried members as compared to MH2 category households. This is due to the fact that number of unmarried migrants migrating on study basis is more in MH1 category.

Table 2a

Socio-Economic Characteristics of Migrant Working Members in Rural Punjab (%)

Categories →		*MH ₁ = FH ₁ + NFH ₁			**MH ₂ = FH ₂ + NFH ₂			Overall
Particulars		FH ₁	NFH ₁	MH ₁	FH ₂	NFH ₂	MH ₂	
Gender	Male	80.7	94.2	87.5	85.3	93.6	88.9	88.1
	Female	19.3	5.8	12.5	14.7	6.4	11.1	11.9
Marital Status	Married	71.3	69.8	70.6	83.2	81.8	82.6	75.7
	Unmarried	28.7	30.2	29.4	16.8	18.2	17.4	24.3
Resident Status	Temporary	50.9	86.0	68.5	34.3	82.7	55.3	62.9
	Permanent	49.1	14.0	31.5	65.7	17.3	44.7	37.1
Age Group	Below 40 year	80.1	84.9	82.5	72.0	88.2	79.1	81.0
	Above 40 year	19.9	15.1	17.5	28.0	11.8	20.9	19.0
Education	Up to +2	79.5	91.2	85.4	70.6	92.7	80.2	83.2
	Graduate	12.3	6.4	9.3	13.3	4.5	9.5	9.4
	Post-Graduate	2.4	0.6	1.5	4.9	0.9	3.2	2.2
	Professional	2.3	0.6	1.5	2.8	0.9	2.0	1.7
	Technical	3.5	1.2	2.3	8.4	0.9	5.1	3.5

Source: Primary Survey.

Notes: Same as Table 1.

Table 2b

Socio-Economic Characteristics of Migrant Working Members in Rural Punjab (%)

Categories →		Jalandhar			Amritsar			Moga		
Particulars		MH ₁	MH ₂	Total	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total
Gender	Male	86.2	88.2	87.1	89.7	91.4	90.4	87.3	87.7	87.4
	Female	13.8	11.8	12.9	10.3	8.6	9.6	12.7	12.3	12.6
Marital Status	Married	73.9	83.6	78.2	77.0	84.3	80.3	61.9	79.5	68.6
	Unmarried	26.1	16.4	21.8	23.0	15.7	19.7	38.1	20.5	31.4
Resident Status	Temporary	69.6	47.3	59.7	70.1	67.1	68.8	66.1	56.2	62.3
	Permanent	30.4	52.7	40.3	29.9	32.9	31.2	33.9	43.8	37.7
Age Group	Below 40 year	84.8	82.7	83.9	81.6	77.1	79.6	80.5	75.3	78.5
	Above 40 year	15.2	17.3	16.1	18.4	22.9	20.4	19.5	24.7	21.5
Education	Up to +2	81.2	83.6	82.3	85.1	81.4	83.4	90.7	74.0	84.3
	Graduate	12.3	4.5	8.9	10.3	11.4	10.8	5.1	15.1	8.9
	Post-Graduate	2.2	4.5	3.2	1.1	1.4	1.3	0.8	2.7	1.6
	Professional	2.2	1.8	2.0	0.0	1.4	0.6	1.7	2.7	2.1
	Technical	2.2	5.5	3.6	3.4	4.3	3.8	1.7	5.5	3.1

Source: Primary Survey.

Notes: Same as Table 1.

Overall, only 37.1 per cent migrants have obtained PR status at abroad. It is clear from the residential status; high percentage of migrants of FHs categories has been enjoying permanent residential (PR) status at abroad comparative to NFHs. It is because the members of NFHs generally have been migrating to Arabian countries that do not provide PR status to migrants. Noticeably, MHs of FH1 and FH2 categories have reported 49.1 per cent and 65.7 per cent respectively of their migrants obtaining PR status at abroad. However, MHs of NFH1 and NFH2 categories have reported only 14.0 per cent and 17.3 per cent migrants are able to get PR at

abroad. MHs of Jalandhar district experienced most PR migrants comparative to other surveyed districts. It is because Jalandhar district of Punjab is an oldest sending region of migrants who settled abroad two or three decades earlier are nowadays having PR status. Contrary to it, Amritsar district that involved late into migration process and MHs of this District comparatively have portrayed less migrants are able to get PR status. On overall basis, 81 per cent migrant members below 40 years age have reported to be migrated abroad. Some of the migrants of above 40 years of age reported to be working abroad having migrated abroad in the young productive age and spent many years of productive age abroad. Hence, migrated working members of MHs have been migrating in young age that is most productive period of their life. Majority of working migrant working members of Both MH1 and MH2 categories have secondary level as their education background. Moreover, in terms of higher, professional, and technical education levels, generally the migrants of FHs have made a distinction viz-a-viz NFHs. However, in case of graduate and technical educational levels, high number of migrants is recorded by MHs from Amritsar district. In fact, many of the working members migrated abroad on study basis from FHs has got education in their respective host countries. Hence, with migration the education and skill level of migrated working members has upgraded than the working members who stay behind with MHs. Thus, it is clear that the education level of migrated working members of MHs in rural Punjab is more skewed to +2 level and only few migrants are of higher, professional, and technical educational standards.

Table 3a

Migration Destinations of Migrant Working Members of MHs in Rural Punjab (%)

Categories →	*MH ₁ = FH ₁ +NFH ₁			**MH ₂ = FH ₂ +NFH ₂			Overall
Countries	FH ₁	NFH ₁	MH ₁	FH ₂	NFH ₂	MH ₂	Overall
Arabian Countries	14.0	64.5	39.4	14.0	62.7	35.2	37.6
Australia	12.9	2.3	7.6	14.7	3.6	9.9	8.6
Canada	24.6	2.9	13.7	30.1	1.8	17.8	15.4
European	31.0	16.9	23.9	25.9	14.5	20.9	22.7
African Countries	0.0	1.2	0.6	0.0	1.8	0.8	0.7
Southeast Asian	9.9	5.2	7.6	4.9	5.5	5.1	6.5
U.S.A.	7.6	0.0	3.8	9.8	0.9	5.9	4.7
Multiple	0.0	7.0	3.5	0.7	9.1	4.3	3.9

Source: Primary Survey.

Notes: Same as Table 1.

Table 3b

Socio-Economic Characteristics of Migrant Working Members in Rural Punjab (%)

Categories →	Jalandhar			Amritsar			Moga		
	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total
Arabian	39.9	38.2	39.1	56.3	54.3	55.4	26.3	12.3	20.9
Australia	8.0	6.4	7.3	8.0	8.6	8.3	6.8	16.4	10.5
Canada	15.2	16.4	15.7	4.6	8.6	6.4	18.6	28.8	22.5
European	25.4	20.9	23.4	16.1	15.7	15.9	28.0	26.0	27.2
African	0.0	1.8	0.8	2.3	0.0	1.3	0.0	0.0	0.0
Southeast Asian	2.2	5.5	3.6	9.2	2.9	6.4	12.7	6.8	10.5
U.S.A.	3.6	5.5	4.4	3.4	5.7	4.5	4.2	6.8	5.2
Multiple	5.8	5.5	5.6	0.0	4.3	1.9	3.4	2.7	3.1

Source: Primary Survey.

Notes: Same as Table 1.

Destination of Migration

Majority of the working members of MHs have migrated to Arabian (37.6 per cent) and European (26.7 per cent) regions. Besides Canada (15.4 per cent), Australia (8.6 per cent) and USA (4.7 per cent) have also constituted significant portion of migrant working members of MHs. District Jalandhar and Moga follow same migration pattern as experienced by whole Punjab. However, migration from District Amritsar is mainly concentrated to Arabian and European regions. Migration pattern of working members of MH1 and MH2 categories has found to be almost similar, whereas of farm and non-farm MHs has shown wide variations. Working members of farm households have migrated mainly to European region followed by Canada, Arabian region and Australia. On the other hand, working members of non-farm households mainly migrated to Arabian and European regions (see table 3). This is due to the fact that a large number of migrants of NFHs especially of lower stratum have been migrating to Arabian countries from Punjab. Generally, these households cannot afford cost of migration to advanced countries and prefers Arabian region (due to low visa cost) to send their migrants.

Asset, Income and Remittances

Table 4 reveals that the categories MH1 and MH2 own 7.2 acres and 8.3 acres average land holdings with 7.4 and 6.1 average household size respectively. However, the categories MH1 and MH2 of Moga district has registered 7.2 acres and 8.3 acres average land holdings due to some big farm households in the sample. MHs of MH1 category have registered 2.5 working members per household as compared to 1.7 working members per household of MH2 category MHs. In fact, MHs of MH1 category have more joint families than MHs of MH2 category. In terms of migrated working members, MHs of Moga district has recorded 1.8 migrated working members on an average followed by Jalandhar district with 1.5 members, which lie in Doaba area. It is experienced during the survey that though the tendency of migration started late in Moga district than Jalandhar, it sharpened in the 1990s, and continually increasing since then. District-wise analysis reveals that the MH1 category MHs of Jalandhar and Moga has experienced more migrated members per household than their domestic working members respectively. With the average household size of 6.9 members, overall MHs have registered 1.3 domestic working members per household and 1.5 migrated members per household respectively. It is evidently showing high propensity to migrate among the working members of sampled MHs in Punjab. However, as district Amritsar has lagged behind in migration process and experienced less migrated members per household than their domestic working members. Regarding annual remittances, data reveals that MHs of MH2 category have registered ₹3.35 lakh per household annual remittances as compared to ₹2.33 lakh of MHs of MH1 category. District-wise data also reveal that the MH2 category in all sampled districts has recorded more annual remittances per household as compared to the MH1 category. Interestingly, MHs of NFH2 category have registered ₹2.88 lakh per household annual remittances which is relatively higher than their corresponding MHs of NFH1 category received from their migrants (₹1.74 lakh). It elaborates that the migrants of MHs of NFH2 category have been sending more money by saving more and with extra efforts than the migrants of MHs of NFH1 category. In fact, the family responsibility burden is more on migrants of MHs of NFH2 category as compared to migrants of MHs of NFH1 category. Therefore, second category MHs, which have not any working member behind have been getting high level of remittances back for support as compared to first category MHs. In fact,

due to home liabilities towards dependents behind, migrants of MH2 category households have been sending maximum remittances as possible. However, in case of MHs of NFH2 category, these remittances are the only source for livelihood of their families.

Table 4a

Asset, Income and Remittances of MHs in Punjab

Categories →	*MH ₁ = FH ₁ +NFH ₁			**MH ₂ = FH ₂ +NFH ₂			Overall
	FH ₁	NFH ₁	MH ₁	FH ₂	NFH ₂	MH ₂	Overall
Per Household values							
<i>Land Holdings Size (In Acres)</i>	7.2	—	7.2	8.3	—	8.3	7.6
<i>Average Household Size</i>	7.5	7.2	7.4	6.7	5.4	6.1	6.9
<i>Domestic Working Members</i>	1.2	1.4	1.3	—	—	—	1.3
<i>Migrated Working Members</i>	1.6	1.2	1.4	2.0	1.3	1.7	1.5
<i>Total Working Members</i>	2.7	2.3	2.5	2.0	1.3	1.7	2.2
<i>Annual Remittances Received (₹Lakh)</i>	2.93	1.74	2.33	3.83	2.88	3.35	2.62
<i>Annual Domestic income (₹Lakh)</i>	6.01	1.54	3.78	4.78	—	4.78	3.79
<i>Annual Total Income (₹Lakh)</i>	8.24	3.14	5.69	7.03	2.88	4.95	5.32
<i>Share of Annual Remittances in Annual Total Households Income</i>	35.6	55.4	40.9	54.5	100.0	67.7	49.2

Source: Primary Survey.

Notes: Same as Table 1.

Table 4b

Asset, Income and Remittances of MHs in Punjab

Categories →	Jalandhar			Amritsar			Moga		
	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total
Per Household values									
<i>Land Holdings Size (In Acres)</i>	6.9	8.1	7.7	4.1	4.2	4.8	10.5	12.5	12.0
<i>Average Household Size</i>	6.0	5.0	6.0	8.5	6.9	7.8	7.7	6.5	7.2
<i>Domestic Working Members</i>	1.2	—	1.2	1.4	—	1.4	1.2	—	1.2
<i>Migrated Working Members</i>	1.4	1.6	1.5	1.2	1.4	1.3	1.7	2.0	1.8
<i>Total Working Members</i>	2.0	1.5	2.1	2.3	2.1	2.2	2.5	2.3	2.4
<i>Annual Remittances Received (₹Lakh)</i>	1.88	3.13	2.51	2.25	3.00	2.36	2.90	3.88	3.61
<i>Annual Domestic income (₹Lakh)</i>	2.82	3.97	3.39	2.92	3.45	3.18	5.54	6.85	6.20
<i>Annual Total Income (₹Lakh)</i>	4.15	5.21	4.63	4.54	5.42	4.95	8.41	8.75	8.28
<i>Share of Annual Remittances in Annual Total Households Income</i>	37.4	73.6	54.2	41.9	66.1	47.7	32.3	51.1	43.6

Source: Primary Survey.

Notes: Same as Table 1.

FH2 category MHs have recorded ₹4.78 lakh per household annual domestic income as compared to ₹6.01 for MHs of FH1 category. In other words, there is some loss of productivity of MHs from given resources if households tend to send all their working members abroad. Nevertheless, this financial loss may be tolerated if migrated members earn better at abroad and send remittances significantly more than whatever lost. This is reflected from the percentage share of annual remittances in annual total household income of MHs. The MHs of FH2 category has enjoyed 54.5 per cent share of remittances in their total annual household income that is relatively higher than

35.6 per cent recorded by MHs of FH1 category. On the overall basis, MHs have send average 1.5 working members of their families abroad and have recorded average of ₹2.62 lakh annual remittances send back to support their families. The percentage share of these remittances is accounted 49.2 per cent of annual total household income of MHs. However, the percentage share of remittances in their respective household incomes is quite high for NFHs and MH2 categories. It reveals that many NFHs from rural Punjab are deeply dependent on the remittances for their survival. Looking at their contribution in terms of relative share and volume, it is held that remittances are almost doubling annual income of MHs and consequently raising their living standards, which is quite evident from their changing preferences towards branded goods available in urban markets and luxury houses.

Table 5a

Cost of Migration Incurred by MHs in Rural Punjab

Categories →	*MH ₁ = FH ₁ +NFH ₁			**MH ₂ = FH ₂ +NFH ₂			Overall
	FH ₁	NFH ₁	MH ₁	FH ₂	NFH ₂	MH ₂	
Attempts to Migrate (Average)	2.0	1.7	1.9	2.0	1.6	1.8	1.8
Per Attempt Cost of Migration (In ₹ Lakh)	2.68	1.17	1.93	2.24	1.67	1.96	1.95
Per Migrant Cost of migration (In ₹ Lakh)	2.53	1.49	2.01	1.42	1.97	1.69	1.86
Per household Cost of migration (In ₹ Lakh)	5.31	1.96	3.63	4.48	2.64	3.56	3.51
Cost of Migration Per household Working Member (In ₹ Lakh)	1.13	0.83	0.98	2.24	1.97	2.10	1.68
Per Capita Cost of Migration (In ₹ Lakh)	1.81	0.27	1.04	0.67	1.97	1.32	0.54
Cost of Migration as Percentage of Total Remittances Ever Received	37.9	24.6	32.5	15.2	9.3	12.4	20.2
Cost of Migration as Percentage of Domestic Annual Income	88.4	127.3	96.0	93.7	—	74.5	92.6

Source: Primary Survey.

Notes: Same as Table 1.

Cost of Migration

Migrants from all categories have made more than one attempts to migrate (Table 5). Migrants of NFH1 and NFH2 categories have recorded ₹1.17 lakh and ₹1.67 lakh per attempt as cost of migration respectively which is relatively less than that of ₹2.68 lakh and ₹2.24 lakh for FH1 and FH2 categories respectively. Overall, MHs of MH1 and MH2 categories have spent 63.8 per cent and 71.9 per cent of total annual household income respectively to meet cost of migration. District-wise analysis depicts that the MH2 category MHs of Jalandhar and Amritsar districts has experienced more percentage share of cost of migration in respective total annual households income whereas the MH2 category MHs of Moga district has less share due to high per household annual domestic income, respectively. MHs of Moga district has been spending amount of ₹3.03 lakh per attempt and ₹5.01 lakh per household respectively to send their members abroad which are quite higher than other districts. Meanwhile, MHs of Amritsar district have recorded ₹2.28 lakh per migrant as cost of migration and 108.2 per cent of domestic annual income. It is quite high compared to Jalandhar and Moga. Moreover, the MHs of MH1 and MH2 categories of

Amritsar district have recorded 47.6 per cent and 31.0 per cent of total remittances received ever to meet cost of migration, respectively. This is due to less receipt of remittances by MHs of Amritsar corresponding to Jalandhar and Amritsar districts. Overall, all the MHs, out of their domestic household annual income and total household annual income have spent 92.6 per cent and 66.0 per cent respectively to meet the cost of migration of their migrants. It states that MHs have to bear quite cost of migration relative to most of their domestic income. At aggregate, households have spent 20.2 per cent of total remittances received ever to meet cost of migration. Thus, cost of migration as percentage of total remittances received ever itself depicted that the migrants of MHs have sent more remittances than cost of migration. This indicates that the economic benefits of these remittances along with social ones are certainly higher than migration costs for sampled MHs.

Table 5b
Cost of Migration Incurred by MHs in Rural Punjab

Categories →	Jalandhar			Amritsar			Moga		
	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total
Attempts to Migrate (Average)	2.3	1.9	2.1	1.6	1.4	1.5	1.8	1.6	1.7
Per Attempt Cost of Migration (In ₹ Lakh)	1.42	1.47	1.44	2.16	2.31	2.25	2.88	3.18	3.03
Per Migrant Cost of migration (In ₹ Lakh)	1.72	1.46	1.59	2.42	2.13	2.28	2.02	1.71	1.86
Per household Cost of migration (In ₹ Lakh)	3.04	2.95	2.99	3.73	3.15	3.44	5.23	4.81	5.01
Cost of Migration Per household Working Member (In ₹ Lakh)	1.06	1.76	1.40	0.93	2.14	1.53	1.23	2.96	2.11
Per Capita Cost of Migration (In ₹ Lakh)	0.94	1.21	0.49	0.81	1.17	0.44	1.38	1.52	0.70
Cost of Migration as Percentage of Total Remittances Ever	18.8	8.6	13.7	47.6	31.0	39.3	24.1	18.2	21.3
Cost of Migration as Percentage of Domestic Annual Income	95.6	80.9	88.2	109.2	105.1	108.2	87.5	74.1	80.8

Source: Primary Survey.

Notes: Same as Table 1.

Table 6 shows that MHs of MH1 category have used 55.5 per cent of remittances on household consumption expenditure, 11.7 per cent for investment purpose and donated 2.0 per cent for social cause as compared to 36.1 per cent, 30.1 per cent, and 0.9 per cent respectively of MH2 category. District-wise data also reveal that the MH1 category in all sampled districts has recorded high percentage share of consumption expenditure as compared to the MH2 category. FHs have spent almost double on consumption expenditure compared to NFHs. It is revealed that overall FHs of FH1 category have spent ₹868.3 lakh (60.3 per cent) on household consumption expenditure comparative to NFHs of NFH1 category those have spent ₹482.3 lakh (48.5 per cent) from total remittances received ever. However, the FHs of FH2 category have spent ₹971.1 lakh (48.4 per cent) corresponding to NFHs of NFH2 category those have spent ₹404.5 lakh (22.4 per cent) on daily household consumption needs from total remittances received ever. Differences in spending remittances on consumption by various categories households is particularly due the fact that some MHs have sufficient sources to sustain family livelihood and they see remittances sent by their

migrants as a surplus in their household annual income. It is noted that MHs of farming community (mainly those having domestic working members) especially from upper strata FHs spend remittances on luxury goods under demonstration effect.

Table 6a

Remittances Use Pattern by Migrant Households in Rural Punjab (₹ Lakh)							
Categories →	*MH ₁ = FH ₁ +NFH ₁			**MH ₂ = FH ₂ +NFH ₂			Overall
	FH ₁	NFH ₁	MH ₁	FH ₂	NFH ₂	MH ₂	Overall
Consumption Expenditure	868.3 (60.3)	482.3 (48.5)	1350.5 (55.5)	971.1 (48.4)	404.5 (22.4)	1375.6 (36.1)	2726.1 (43.6)
Investment	192.2 (13.3)	93.1 (9.4)	285.3 (11.7)	643.3 (32.1)	503.0 (27.8)	1146.3 (30.1)	1431.6 (22.9)
Diaspora Philanthropy	22.1 (1.5)	26.2 (2.6)	48.2 (2.0)	30.6 (1.5)	4.8 (0.3)	35.4 (0.9)	84.4 (1.4)
Total Used Remittances	1082.5 (75.1)	601.5 (60.5)	1684.1 (69.1)	1546.9 (77.1)	912.3 (50.4)	2459.2 (64.5)	4242.1 (67.9)
Total Unused Remittances	358.5 (24.9)	393.0 (39.5)	751.5 (30.9)	458.5 (22.9)	896.5 (49.6)	1355.0 (35.5)	2007.7 (32.1)
Total Remittances Received Ever	1441.1 (100.0)	994.5 (100.0)	2435.6 (100.0)	2005.4 (100.0)	1808.8 (100.0)	3814.2 (100.0)	6249.8 (100.0)

Source: Primary Survey.

Notes: Same as Table 1. Figures in parenthesis are percentages of total.

Table 6b

Remittances Use Pattern by Migrant Households in Rural Punjab (₹ Lakh)									
Categories →	Jalandhar			Amritsar			Moga		
	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total
Consumption Expenditure	680.0 (47.0)	803.6 (37.4)	1483.6 (41.3)	252.3 (68.7)	306.9 (39.3)	559.2 (48.7)	418.4 (67.4)	266.0 (36.1)	683.4 (45.3)
Investment	29.8 (2.1)	689.7 (32.1)	719.5 (20.0)	53.3 (14.5)	69.8 (8.9)	123.1 (10.7)	202.3 (32.6)	386.7 (30.1)	589.0 (39.1)
Diaspora Philanthropy	24.4 (1.7)	20.8 (1.0)	45.4 (1.3)	22.4 (6.1)	12.3 (1.6)	35.1 (3.1)	1.7 (0.3)	2.3 (0.9)	4.0 (0.3)
Total Used Remittances	930.5 (64.3)	1317.9 (61.4)	2248.4 (62.5)	210.9 (57.4)	506.5 (64.9)	717.4 (62.5)	542.4 (87.4)	733.9 (64.5)	1276.3 (84.7)
Total Unused Remittances	517.1 (35.7)	829.3 (38.6)	1346.4 (37.5)	156.6 (42.6)	274.1 (35.1)	430.7 (37.5)	78.0 (12.6)	152.6 (35.5)	230.6 (15.3)
Total Remittances Received Ever	1447.7 (100.0)	2147.2 (100.0)	3594.9 (100.0)	367.5 (100.0)	780.5 (100.0)	1148.0 (100.0)	1808.8 (100.0)	3814.2 (100.0)	1506.9 (100.0)

Source: Primary Survey.

Notes: Same as Table 1. Figures in parenthesis are percentages of total.

The investment pattern of MHs varies significantly at micro level. There is substantial difference among households of MH1 and MH2 in case of investing their remittances. The MH1 category MHs of Jalandhar and Amritsar districts have experienced quite low level of investment share as compared to MH1 category of Moga district, respectively. Meanwhile, the MH1 category of Amritsar district has recorded low level percentage share (8.9 per cent) corresponding to Jalandhar and Moga districts. Households having all working member abroad (MH2) have invested their remittances at larger scale (30.1 per cent) as compared to households having some domestic working members (MH1) (11.7 per cent). In terms of household investment, the MHs of FH2 and NFH2 category have invested 32.1 per cent and 27.8 per cent respectively of their remittances as

compared to 13.3 per cent and 9.4 per cent of FH1 and NFH1 category MHs respectively. High propensity to invest among FH2 and NFH2 households than that of FH1 and NFH1 ones is due to the fact that these families are trying to overcome the pains bearded by staying behind without working members and eager to seek them back by making them self-reliant in terms of employment.

Overall, all the MHs have devoted 1.4 per cent of received remittances towards Diaspora philanthropy and also saved large portion (32.1 per cent) of their remittances. MHs of NFH1 category have contributed 2.6 per cent of remittances for Diaspora philanthropy corresponding to 1.5 per cent of both FH1 and FH2 categories each out of their total remittances received ever. Meanwhile, it is a positive sign that a significant share of remittances has been saved by MHs. MHs of MH2 category has saved 35.5 per cent of remittances for future use as compared to 30.9 per cent of MH1 category. District-wise data also show that the MH1 category MHs of Amritsar district has saved 42.6 per cent out of their total remittances received ever followed by the MH2 category of Jalandhar district (38.6 per cent) whereas the MH1 category MHs of Moga district has saved quite less share (12.6 per cent). Data indicates that out of total remittances received ever, the NFHs have been saving more money than FHs. This propensity to save of these MHs may be for precautionary and transactions motives.

Table 7 brings out that sampled MHs have spent a large chunk of household consumption expenditure on house construction or renovation ₹1497.7 lakh (54.9 per cent) followed by repaying debt ₹507.3 lakh (18.6 per cent) and on marriages ₹316.1 lakh (11.6 per cent). Pattern household consumption is similar for all surveyed districts. MHs of MH2 category have spent 59.3 per cent of consumption expenditure on house construction as compared to 50.5 per cent of MH1 category. District-wise data also depict that out of household consumption expenditure the MHs of MH2 and MH1 categories of Jalandhar district has spent 64.4 per cent and 57.7 per cent on house construction or renovation respectively followed by the MH2 category of Moga district (54.8 per cent) whereas the MH1 category MHs of Amritsar district has spent quite less share (39.9 per cent) as compared to others due to debt liabilities as the same recorded 34.8 per cent for debt repayment. As a large number of MHs have borrowed money to meet migration cost of their migrants, debt is become the second most important component of remittances use within consumption expenditure. MHs of MH2 category have spent 22.6 per cent of total consumption expenditure on repaying debt as compared to 14.7 per cent of MH1 category. However due to old migration, Jalandhar district MHs categories have registered less share of debt repayments as compared to Amritsar and Moga districts. Both MH1 and MH2 categories have spent 12.7 per cent and 10.5 per cent of their consumption expenditure respectively to meet marriage expenses making this third largest component. Meanwhile in case of MH2 category of Moga district has recorded third largest component of total consumption expenditure to purchase cars or jeeps comparatively to other categories. The spend thrift habit of Punjabis is well known. They are not only spending a large amount of remittances on marriages but also on consumer durables. Moreover, FHs of FH1 and FH2 categories have spent comparatively large amount of remittances to purchase cars or jeeps. Apart from this, some of MHs have reported to spend a part of remittances on medicine and cure. Hence, for consumption purpose, household buildings construction, debt repayment, marriages, and consumer durables such as car or jeep emerged as main items. In fact, this migrant dominant

area has flourished with grand households enriched with world class facilities at home. This pattern of consumption of MH families provide indirect support to construction sector in Punjab.

Table 7a

Pattern of Remittances Used for Household Consumption by MHs in Rural Punjab							
Categories →	*MH ₁ = FH ₁ +NFH ₁			**MH ₂ = FH ₂ +NFH ₂			Overall
	FH ₁	NFH ₁	MH ₁	FH ₂	NFH ₂	MH ₂	Overall
Repaying Debt	196.1 (22.6)	109.0 (22.6)	305.0 (22.6)	132.6 (13.7)	69.7 (17.2)	202.3 (14.7)	507.3 (18.6)
Households' Buildings Construction or Repair	464.0 (53.4)	217.4 (45.1)	681.4 (50.5)	573.4 (59.0)	242.9 (60.0)	816.3 (59.3)	1497.7 (54.9)
Purchase of Car/ Jeep	83.7 (9.6)	27.1 (5.6)	110.8 (8.2)	103.6 (10.7)	20.9 (5.2)	124.5 (9.0)	235.2 (8.6)
Other Household Durables	17.8 (2.1)	16.1 (3.3)	33.9 (2.5)	31.1 (3.2)	25.7 (6.3)	56.7 (4.1)	90.6 (3.3)
Marriage Expenses	98.0 (11.3)	73.9 (15.3)	171.9 (12.7)	105.5 (10.9)	38.8 (9.6)	144.3 (10.5)	316.1 (11.6)
Medicine and Cure	0.2 (0.02)	1.7 (0.3)	1.8 (0.1)	3.1 (0.3)	1.9 (0.5)	5.0 (0.4)	6.8 (0.3)
Other Household Expenditure	8.6 (1.0)	37.2 (7.7)	45.8 (3.4)	21.9 (2.3)	4.8 (1.2)	26.6 (1.9)	72.4 (2.7)
Household Consumption	868.3 (100.0)	482.3 (100.0)	1350.5 (100.0)	971.1 (100.0)	404.5 (100.0)	1375.6 (100.0)	2726.1 (100.0)

Source: Primary Survey.

Notes: Same as Table 1. Figures in parenthesis are percentages of total.

Table 7b

Pattern of Remittances Used for Household Consumption by MHs in Rural Punjab									
Categories →	Jalandhar			Amritsar			Moga		
	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total
Repaying Debt	102.6 (14.7)	87.4 (11.1)	190.7 (12.9)	106.5 (34.8)	54.0 (21.2)	159.7 (28.6)	96.0 (27.6)	61.0 (18.2)	157.0 (23.0)
Households' Buildings Construction or Repair	402.1 (57.7)	506.4 (64.4)	908.4 (61.2)	122.0 (39.9)	126.5 (49.7)	248.8 (44.5)	157.3 (45.2)	183.4 (54.8)	340.5 (49.8)
Purchase of Car/ Jeep	57.0 (8.2)	66.7 (8.5)	123.6 (8.3)	17.0 (5.5)	19.6 (7.7)	36.2 (6.5)	36.9 (10.6)	38.2 (11.4)	75.5 (11.0)
Other Household Durables	19.5 (2.8)	31.6 (4.0)	50.9 (3.4)	6.9 (2.3)	12.3 (4.8)	19.2 (3.4)	7.4 (2.1)	13.0 (3.9)	20.6 (3.0)
Marriage Expenses	87.8 (12.6)	74.3 (9.4)	162.0 (10.9)	43.9 (14.4)	36.8 (14.4)	80.2 (14.3)	40.2 (11.6)	33.3 (9.9)	73.9 (10.8)
Medicine and Cure	0.8 (0.1)	3.2 (0.4)	4.0 (0.3)	0.5 (0.2)	1.3 (0.5)	1.8 (0.3)	0.5 (0.2)	0.5 (0.1)	1.0 (0.1)
Other Household Expenditure	26.7 (3.8)	17.2 (2.2)	44.0 (3.0)	9.3 (3.0)	4.2 (1.6)	13.5 (2.4)	9.8 (2.8)	5.3 (1.6)	14.9 (2.2)
Household Consumption	696.4 (100.0)	786.6 (100.0)	1483.6 (100.0)	306.2 (100.0)	254.6 (100.0)	559.2 (100.0)	404.5 (100.0)	334.5 (100.0)	683.4 (100.0)

Source: Primary Survey.

Notes: Same as Table 1. Figures in parenthesis are percentages of total.

Since MHs belong to rural Punjab having agriculture as their primary occupation, purchase of agricultural land followed by agricultural machinery has come out as favourite area for investment of MHs (Table 8).

Table 8a

Pattern of Remittances Used for Household Investment by MHs in Rural Punjab							
Categories →	*MH ₁ = FH ₁ +NFH ₁			**MH ₂ = FH ₂ +NFH ₂			Overall
	FH ₁	NFH ₁	MH ₁	FH ₂	NFH ₂	MH ₂	Overall
Children's Education	1.2 (0.6)	6.6 (7.1)	7.8 (2.7)	3.7 (0.6)	6.0 (1.2)	9.6 (0.8)	17.4 (1.2)
Self-Employment	—	2.4 (2.6)	2.4 (0.9)	—	0.4 (0.1)	0.4 (0.03)	2.8 (0.2)
Business Investment	—	20.2 (21.7)	20.2 (7.1)	—	0.2 (0.04)	0.2 (0.02)	20.4 (1.4)
Purchase of Agricultural Land	65.0 (33.8)	52.8 (56.7)	117.8 (41.3)	584.0 (90.8)	410.0 (81.5)	994.0 (86.7)	1111.8 (77.7)
Purchase of Plot	30.5 (15.9)	6.0 (6.4)	36.5 (12.8)	11.8 (1.8)	83.0 (16.5)	94.8 (8.1)	131.3 (9.2)
Agricultural Machinery	95.0 (49.4)	5.0 (5.4)	100.0 (35.1)	43.9 (6.8)	3.0 (0.6)	46.9 (4.1)	146.9 (10.3)
Other Investment #	0.5 (0.3)	—	0.5 (0.2)	—	0.5 (0.1)	0.5 (0.04)	1.0 (0.1)
Household Investment	192.2 (100.0)	93.1 (100.0)	285.3 (100.0)	643.3 (100.0)	503.0 (100.0)	1146.3 (100.0)	1431.6 (100.0)

Source: Primary Survey.

Notes: Same as Table 1. Figures in parenthesis are percentages of total.

Table 8b

Pattern of Remittances Used for Household Investment by MHs in Rural Punjab									
Categories →	Jalandhar			Amritsar			Moga		
	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total
Children's Education	4.5 (3.0)	5.4 (0.9)	9.9 (1.4)	2.0 (4.4)	2.7 (3.5)	4.8 (3.9)	1.3 (1.2)	1.5 (0.8)	2.7 (0.5)
Self-Employment	2.4 (1.6)	0.4 (0.1)	2.8 (0.4)	—	—	—	—	—	—
Business Investment	0.1 (0.1)	0.1 (0.0)	0.2 (0.03)	0.2 (05)	—	0.2 (0.2)	19.8 (0.04)	0.1 (0.02)	20.0 (3.4)
Purchase of Agricultural Land	75.8 (50.2)	460.0 (81.0)	536.8 (74.6)	17.9 (39.4)	52.1 (67.3)	70.0 (56.9)	23.9 (81.5)	481.5 (86.7)	505.0 (85.7)
Purchase of Plot	26.1 (17.3)	84.9 (15.0)	111.0 (15.4)	2.6 (5.7)	4.1 (5.3)	6.8 (5.5)	7.8 (16.5)	5.8 (8.1)	13.5 (2.3)
Agricultural Machinery	41.3 (27.4)	16.5 (2.9)	57.8 (8.0)	22.8 (50.2)	18.5 (23.9)	41.3 (33.6)	35.9 (0.6)	11.9 (4.1)	47.8 (8.1)
Other Investment #	0.5 (0.4)	0.5 (0.1)	1.0 (0.1)	—	—	—	—	—	—
Household Investment	150.8 (100.0)	567.7 (100.0)	719.5 (100.0)	45.5 (100.0)	77.4 (100.0)	123.1 (100.0)	88.7 (100.0)	500.8 (100.0)	589.0 (100.0)

Source: Primary Survey.

Notes: Same as Table 1. Figures in parenthesis are percentages of total.

Out of total remittances received ever, all 360 MHs have utilised ₹1111.8 lakh (77.7 per cent) on purchase of agricultural land followed by agricultural machinery of ₹146.9 lakh (10.3 per cent) and purchase of plots of ₹131.3 lakh (9.2 per cent) respectively (see Table 8). District-wise data also show that the MH₂ category MHs of Moga district has invested 86.7 per cent on purchase of agricultural land out of their total household investment followed by the MH₂ category of

Jalandhar district (81.0 per cent) and the MH₂ category (67.3 per cent). Whereas MH1 category of has registered (81.5 per cent) on purchase of agricultural land of Moga district (50.2 per cent) of Jalandhar district, and (39.4 per cent) of Amritsar district respectively. At disaggregate level, it may be termed as investment for a migrant household if it purchased some agricultural land. However, on the aggregate level, it is just transfer of ownership of land holdings and meager increment of capital due to use of remittances in Punjab economy. Interestingly, from all MHs, not any single farm household reported to have investment on self-employment or business.

However, some NFHs have registered some investment from remittances for self-employment or business purposes as MHs of NFH₁ category have invested ₹2.4 lakh (2.6 per cent) for self-employment and ₹20.2 lakh (21.7 per cent) to start business in the home region. Contrarily, the NFHs of NFH₂ category have spent ₹0.4 lakh (0.1 per cent) for self-employment and ₹0.2 lakh (0.1 per cent) to start business. Especially due to rural background, the MH₁ and MH₂ categories of Amritsar district have preferred agricultural land or machinery for investment purpose. Hence, it is evident that investment for self-employment and business purposes have not get respectable place within household investment of sampled MHs. Moreover, some MHs have used a part of remittances (1.2 per cent) on education of their children which can be figured as investment for generating human capital. Henceforth, data established that although 22.9 per cent remittances are invested in various activities, only meager amount of these remittances diverted especially towards education and purchase of agricultural machinery can be denoted as real investment. On the other, remittances used for purchase of agricultural land has nothing to with real capital formation rather may have resulted adverse change in pattern of land holdings in Punjab. Recent studies Gill (1988), Ghuman, (2001) and Singh (2004) have reported sharp decline in marginal and small land holdings and increase in large ones. Investment of remittances in purchase of agricultural land can be taken as one of the reason aforesaid change in pattern of and holdings.

In Table 9, utilization pattern of remittances received under philanthropy is explained. On overall basis, all 360 MHs have donated ₹84.42 lakh for social cause in their native village development. Out of the total Diaspora philanthropy a large share of ₹51.04 lakh (60.5 per cent) was donated to Gurdwara Sahib followed by other philanthropy of ₹24.47 lakh (29.0 per cent). In case of the development of village level social amenities like drinking water and sanitation, Dharamshalla and panchayatghar, the contribution of MHs shows dim scenario. In fact, except Gurdwara Sahib and other philanthropy components of Diaspora philanthropy, all other village development activities have not get any respectable amount of money from MHs' total remittances received ever. Both MH1 and MH2 categories have devoted 72.4 per cent and 45.5 per cent respectively of total Diaspora philanthropy for Gurdwara sahib. District-wise data also elaborate that the MH1 and MH2 categories of Amritsar district have donated exceptionally high of 91.1 per cent and 69.9 per cent for Gurdwara sahib out of their total Diaspora philanthropy whereas the MH2 category of Jalandhar district has donated 65.0 per cent for other philanthropic activities.

The other philanthropic activities emerged as second most important component for which Diaspora donate money. As it has occasional nature, it varies largely among different household categories. It ranges from ₹0.32 lakh (6.6 per cent) for NFHs of NFH₂ to ₹16.80 lakh (54.9 per cent) for FHs of FH1 category. Correspondingly, MHs from FH1 and NFH1 categories have donated ₹3.31 lakh (15.0 per cent) and ₹4.04 lakh (15.4 per cent) respectively for social cause.

The overall contribution to develop village government schools recorded of ₹3.99 lakh (4.7 per cent) by all sampled MHs. Noticeably, NFHs groups of NFH1 and NFH2 categories have donated ₹1.82 lakh (6.9 per cent) and ₹1.25 lakh (26.3 per cent) respectively for the development of village government schools. This is due to the fact that most of the students of lower strata households (generally of SC labour households and debt ridden FHs) nowadays are studying in village government schools. Few migrants of upper strata households are coming forward to develop these village government schools.

Table 9a

Pattern of Remittances Used for Diaspora Philanthropy by MHs in Rural Punjab

Categories →	*MH ₁ = FH ₁ +NFH ₁			**MH ₂ = FH ₂ +NFH ₂			Overall
	FH ₁	NFH ₁	MH ₁	FH ₂	NFH ₂	MH ₂	Overall
School	0.87 (3.9)	1.82 (6.9)	2.69 (5.6)	—	1.25 (26.3)	1.25 (3.5)	3.99 (4.7)
Community Health Centre	—	—	—	—	—	—	—
Drinking Water and Sanitation	0.55 (2.5)	0.85 (3.2)	1.40 (2.9)	—	0.28 (5.9)	0.28 (0.8)	1.68 (2.0)
Dharamshalla	2.15 (9.7)	—	2.15 (4.5)	0.30 (1.0)	0.20 (4.2)	0.50 (1.4)	2.65 (3.1)
Panchayat-ghar	0.20 (0.9)	—	0.20 (0.4)	—	0.40 (8.4)	0.40 (1.1)	0.60 (0.7)
Gurdwara Sahib	15.49 (70.2)	19.46 (74.4)	34.94 (72.4)	13.51 (44.1)	2.59 (54.4)	16.10 (45.5)	51.04 (60.5)
Other Philanthropy #	3.31 (15.0)	4.04 (15.4)	7.35 (15.2)	16.80 (54.9)	0.32 (6.6)	17.12 (48.4)	24.47 (29.0)
Diaspora Philanthropy	22.07 (100.0)	26.16 (100.0)	48.23 (100.0)	30.61 (100.0)	4.75 (100.0)	35.36 (100.0)	84.42 (100.0)

Source: Primary Survey.

Notes: Same as Table 1. Figures in parenthesis are percentages of total.

Table 9b

Pattern of Remittances Used for Diaspora Philanthropy by MHs in Rural Punjab

Categories →	Jalandhar			Amritsar			Moga		
	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total	MH ₁	MH ₂	Total
School	2.1 (9.1)	0.2 (0.9)	2.38 (5.2)	0.5 (1.9)	1.0 (9.1)	1.51 (4.3)	0.1 (4.5)	0.01 (0.5)	0.10 (2.5)
Comm Health Centre	—	—	—	—	—	—	—	—	—
Drinking Water and Sanitation	0.9 (3.9)	0.2 (0.9)	1.11 (2.4)	0.2 (0.9)	0.1 (0.7)	0.30 (0.9)	0.3 (13.6)	—	0.27 (6.8)
Dharamshalla	1.9 (8.2)	0.1 (0.5)	2.00 (4.4)	0.3 (1.1)	0.4 (3.5)	0.65 (1.9)	—	—	—
Panchayat-ghar	—	—	—	0.1 (0.4)	0.3 (2.6)	0.40 (1.1)	0.1 (4.6)	0.1 (5.3)	0.20 (5.1)
Gurdwara Sahib	12.4 (53.9)	7.3 (32.7)	19.7 (43.4)	21.5 (91.1)	8.0 (69.9)	29.56 (84.2)	1.0 (48.7)	0.8 (41.6)	1.79 (45.1)
Other Philanthropy #	5.7 (24.8)	14.4 (65.0)	20.17 (44.5)	1.1 (4.5)	1.6 (14.3)	2.70 (7.7)	0.6 (28.5)	1.0 (52.5)	1.60 (40.5)
Diaspora Philanthropy	23.1 (100.0)	22.2 (100.0)	45.35 (100.0)	23.7 (100.0)	11.5 (100.0)	35.11 (100.0)	2.0 (100.0)	2.0 (100.0)	3.96 (100.0)

Source: Primary Survey.

Notes: Same as Table 1. Figures in parenthesis are percentages of total.

In fact, the children of upper strata MHs and of NRIs have been studying in private English medium schools that are considered superior to village government schools. Not even a single MH contributed worth penny of received remittances for establishment of community health services. In nutshell, table evidently unleashes minimal impact of remittances used for Diaspora philanthropy on village development. Moreover, the interrelations between MHs and village panchayats also affect the level of development through NRIs contribution. MHs' good relations and cooperation with village panchayat result early beginning of development works in the village. However, the political factionalism in many villages has noticed as a major factor to give a set back to the development works through NRIs help. This requires a clear understanding of the changing nature of Diaspora links with home places and identifying conditions for the emergence of sustainable links. Glib talk and political rhetoric notwithstanding, Punjab is yet to fully appreciate the OPs' potential capacity to speed up the process of modernisation of its hinterland (Dhesi, 2007).

CONCLUDING REMARKS

Analysing state of international migration and contribution of remittances in the economic life of people in rural Punjab, study reveals high migration propensity among sampled households. Due to lack of employment opportunities in the state and having high dependency ratio, educated youth workforce of rural Punjab has migrated to various countries of the world particularly of Arabian, European and North American regions. Majority of emigrants are married males having temporary resident status. Sampled MHs are heavily dependent upon remittances as remittances contribute 49.2 per cent of annual income and thus are major income source for sampled MHs. Remittances are the only source of income for non-farm MHs and thus are highly important for these households both in income and employment terms as compared to farms MHs. All MHs are bearing high cost of migration that consumes large portion of their annual domestic as well as total income. It may be particularly due the fact that the migrants of all category MHs have made more than one attempts to migrate abroad. Moreover, cost of migration is found to be less than total remittances received ever by these MHs and is the main pull factor that motivates people to migrate abroad. Besides expenditure on migration is onetime fixed cost and remained to be declining over the time. In addition, cost of migration is less for non-farm MHs as compared to that of farm MHs. Thus remittances have has a lot to add prosperity, economic well being and financial success of MHs. District-wise analysis asserts that Moga districts has taken lead viz-a-viz Amritsar and Jalandhar districts having higher level of per household annual remittances, annual domestic income and annual total income. However cost of migration is found to be relatively higher with migrants of Amritsar as compared to Jalandhar and Moga districts.

Utilization pattern of remittances brings out that MHs demonstrate their financial success through conspicuous consumption spending. Large share of remittances has been devoted to consumer durables, social ceremonies, and branded gadgets. District wise pattern of remittance use does not presents substantial differences. However, migrant households of Moga districts lead in using more remittances rather than saving as compared to that of Jalandhar and Amritsar. FHs have been spending almost double on households' consumption expenditure comparative to NFHs. However, a few MHs are found to use their remittances wisely and have been saving a part of these for future use. They generally have been investing remittances to purchase agricultural tools, tractors, land, and real estate sector. However, there is insignificant real investment found through

remittances used by the sampled 360 MHs in this study. A mechanism should be adopted to guide the remittances receiving households to utilise them in productive activities. The family members staying back in the villages should be aware to invest major part of their remittances in non-farm and allied activities. Except Gurdwara Sahib and other philanthropy components of Diaspora philanthropy, all other village development activities have not get any respectable amount of money from MHs' total remittances received ever. In a nutshell, findings indicate important contribution of international remittances in individual economic life of MHs of rural Punjab but its role in rural development is minimal. High level of unused remittances with migrant households shows inefficiency of state government in making suitable arrangement for their optimum use within the state. Thus, proactive attitude of the state government is highly demanded to change the pattern of remittances use towards productively purposes so as to ensure real capital formation and thereby realize rapid economic development in the rural Punjab.

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