

Impact of COVID-19 on mobility of migrants in Kerala and state level policy intervention

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A large inflow of remittances in Kerala has been one of the prime factors in accelerating growth in the state since 1990s (Kannan (2005), Zachariah and Rajan (2016), Rajan and Zachariah (2020)). 35 per cent of the Net State Domestic Product (NSDP) is contributed by remittances in Kerala (Rajan and Zachariah, 2020).

It is a well-known fact that the COVID restrictions have largely affected the mobility of migrants worldwide. The shutdown of flights, trains, buses has severely affected the migrants. Especially the migrants in low paid jobs and in irregular situations may be affected and vulnerable to COVID 19 (Migration Data Portal, 2021).

India has the highest number of emigrants in the world nearly 18 million (World Migration Report, 2022) of which 21.2 lakh emigrants are Keralite (Rajan and Zachariah, 2020). With migrants losing jobs and being exposed to vulnerable economic conditions along with the worldwide spread of the virus, the decline in the number of emigrants added to the already declining trend of emigrants in Kerala. The rate of growth of emigration in Kerala has been found to be continuously decreasing since 2008 in the study by Rajan and Zachariah (2020).

This study aims to analyze the effect of COVID-19 on the mobility of migrants and therefore, its consequences on household remittance income in Kerala. The study uses the database from primary level survey by Consumer Pyramid Household Survey (CPHS).

This study also tried to capture the various socio-economic impact of COVID-19 on return migrants with a special analysis of the effectiveness of government intervention in benefiting return migrants. This section of the analysis is based on the primary level survey conducted by GIFT on Non-Resident Keralite (NRKs).

Findings

The CPHS data gives information on both immigrants and emigrants which enabled us to analyze the mobility of migrants in Kerala. Immigrants or in-migration refers to the entry of members into the household and emigrants or out-migration refers to members that exited the household.

As per the CPHS data Kerala shows the highest reduction in the growth rate of out-migration (93%) compared to a reduction of 44 per cent, 69 per cent and 27 per cent at the national level, high and low-income category states, respectively during May-Aug 2021 with respect to May-Aug 2020 (Table 1).

Table 1: Comparison of the Growth rate of Out and In-Migration between Kerala and All-India during May-Aug 21 over May-Aug 20		
States	Emigrated	Immigrated
Kerala	-93.47	-81.58
Low1 income	-27.10	277.63
High income	-68.75	-57.06
All states	-44.49	47.17
<i>Source: Gift's calculation from consumer pyramids household survey</i>		

The growth rate of in-migration for the same reference period shows positive growth of 47 per cent at the All-India level with the highest positive growth of 278 per cent in low-income states, a negative growth of 57 per cent in high income states and a negative growth of 82 per cent in Kerala. Although the growth rate of in-migration is negative in Kerala, the reduction in the

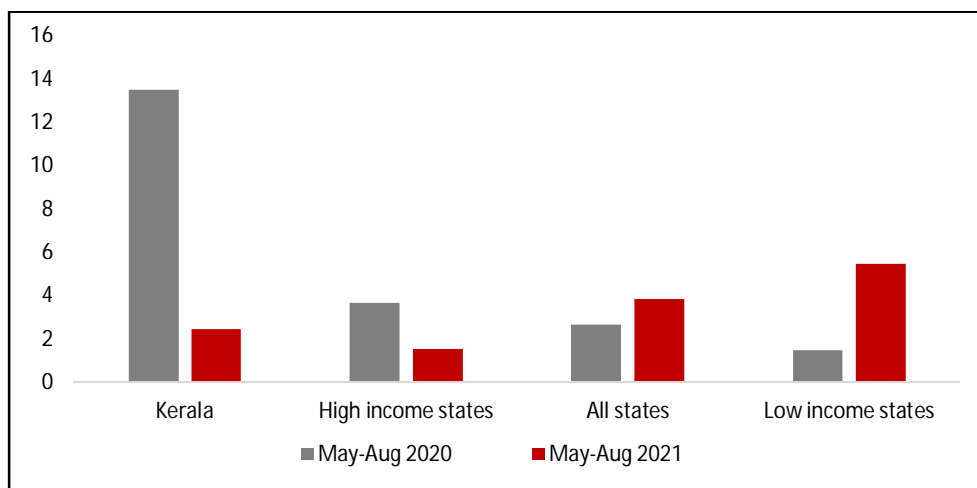
¹ Low-income states are Bihar, Uttar Pradesh, Assam, Madhya Pradesh, West Bengal, Chhattisgarh, Rajasthan and Odisha and high-income states are Punjab, Kerala, Tamil Nadu, Karnataka, Telangana, Maharashtra, Gujarat and Haryana according to per capita GSDP during 2019-20

growth rate of out-migration (93 per cent) is even more during May-Aug 21 with respect to May-Aug 20.

Considering the period from May-Aug 2020 to May-Aug 2021, a total number of immigrants to Kerala is observed to be 5,83,882 with 62.5 per cent immigrants to the rural sector (3,64,895) and 31 per cent to the urban sector (1,80,777). The number of immigrants to rural sector are higher than in the urban sector for all the quarters. These immigrants may even be termed as return migrants as it is traced from the data that the state of origin of these migrants is Kerala. So, it can be said that 6 lakhs of Keralite have returned back to Kerala during the pandemic referring to the data from May-Aug 2020 to May-Aug 2021.

The in-migration rate, i.e., number of in-migrants per thousand persons was the highest in Kerala (14) during May-Aug 20 (Figure 1) compared to during May-Aug 2021 due to the effect of COVID lockdown. Therefore, necessary policy is recommended to be implemented in Kerala to accommodate increased number of migrants (due to reduction in out-migrants and for having high in-migrants) in the state.

Figure 1: State-wise in-migration rate during May-Aug 2020 and May-Aug 2021

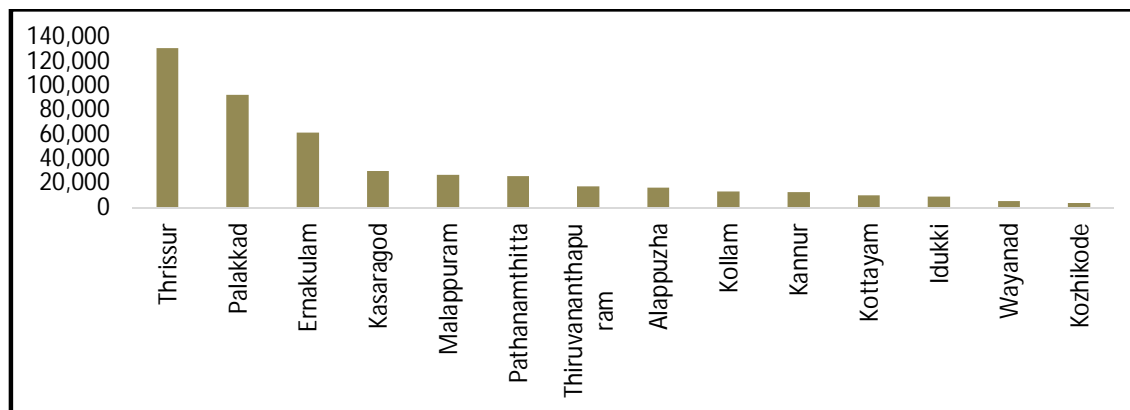


Source: GIFT's calculation from consumer pyramids household survey

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A district-wise analysis based on CPHS data from Sep 2020 to Aug 2021 shows that top five districts having highest number of return migrants are Thrissur, Palakkad, Ernakulam, Kasaragod and Malappuram (Figure 2).

Figure 2: District-wise number of immigrants to Kerala (Sep-Dec 20 to May-Aug 21)

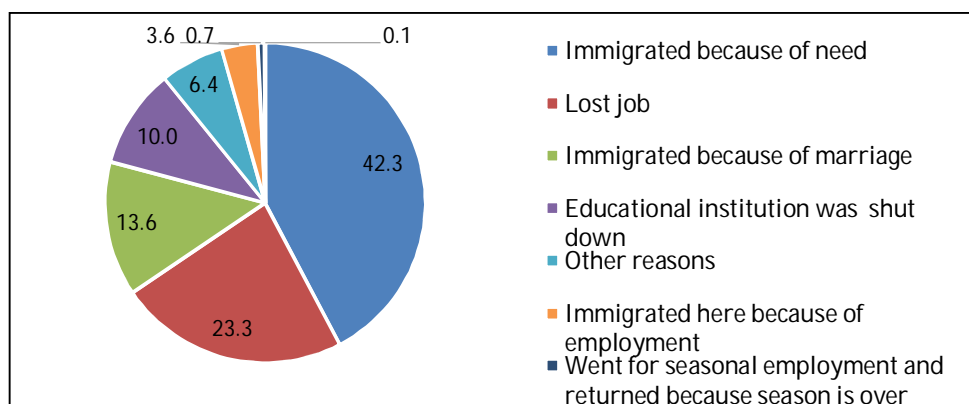


Source: GIFT's calculation from Consumer Pyramids Household Survey

Reason for in-migration in Kerala

With reference to data from May-Aug 2020 to May-Aug 2021 (Chart 1) 23 per cent of immigrants reported loss of job as a reason for in-migration², 13.6 per cent reported in-migration for marriage, 10 per cent for shut down of educational institutes, 6.4 per cent for other reasons, 3.6 for employment, 0.7 per cent for seasonal unemployment and 0.1 per cent for work for home. 42.3 per cent reported in-migration for need.

Chart 1: Reason for return migration in Kerala (May-Aug 2020 to May-Aug 2021)



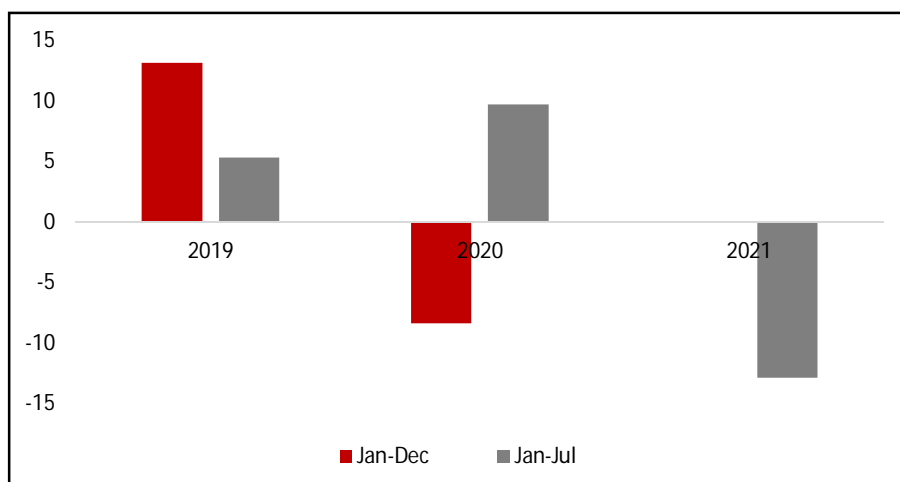
Source: GIFT's calculation from Consumer Pyramids Household Survey

² Reason given as job loss as an explanation for return migration during COVID wave is found to be 72 per cent of the total return migrants by Non Resident Keralite's Affairs (NORKA). It is reported as 29.4 per cent by Rajan and Zachariah (2020).

Impact of COVID on remittance income of households in Kerala

Out-migration of Kerala has experienced a negative growth rate as a result of COVID 19. As already discussed above, the state suffered huge negative growth of 93 per cent as per May-Aug 21 vis-à-vis May-Aug 2020. Since remittances are highly correlated to out-migration rate, the state severely experienced a decline in remittance income.

Figure 3: Growth rate of household remittance income in Kerala (%)



Source: GIFT's calculation from consumer pyramids household survey

From CPHS survey data, it is observed that remittance income of the household in Kerala have registered a negative growth rate of 13 per cent in Jan-Jul 2021 compared to Jan-Jul 2020. As per the annual data, remittance income showed a negative growth of 8 per cent in 2020 over 2019 (Figure 3). A study by Rajan and Zachariah, 2020 shows that 38 per cent of remittance income is utilized by households for daily expenses, 19 per cent is hold as cash or transferred to bank, 12 per cent is used to pay back debt. With a major share of day-to-day expenses in remittance income in Kerala, dependence of households on remittance income for household consumption expenditure is quite evident.

Given a substantial share of households surviving on remittance income and a higher share of remittance income spent on daily expenses, the household consumption expenditure suggests a fall during COVID 19 wave with one of the reasons being a decline in remittance income in Kerala. A drop in consumption expenditure in Kerala was 50% compared to the national average of 37% during the lockdown of COVID-19 first wave which is one of the key findings of the study on consumption expenditure by GIFT Study on Impact of COVID 19.

Findings from the primary level survey by GIFT on non-resident Keralites (NRKs)

1151 NRKs was surveyed through google survey which covered all the districts of Kerala. As per the survey result provided in table 2 during the first wave, out of 1151 NRKs, the impact on economic loss shows that 58 per cent respondents lost their income, 38 per cent lost employment, 14 per cent went through additional health expenditure and 30 per cent of respondents faced increase in indebtedness during the COVID period.

The loss of job was more in the first wave of COVID 19 (68.1 per cent) compared to Second wave (31.9 per cent) as per the GIFT survey. The impact on health and education showed that 55 per cent of respondents were suffering from severe depression, 22 per cent had other health problems and 19 per cent faced education related issues (shut down of schools and colleges). 25 per cent faced social loss by losing their relatives and dear ones. Other problems included travel related issues which accounted for 52 percent of total. 4.6 per cent of respondents reported no crisis faced during the pandemic.

Table 2: Impact of COVID 19 on NRKs during first wave and after both first and second wave (%)			
Impact of COVID 19 to the survey respondents	Total	First Wave	After First and Second Wave
Economic Loss/Burden			
Job loss	432	37.5	47.2
Income loss	669	58.2	71.7
Additional health expenditure	159	13.8	18.9
Increase in indebtedness	347	30.1	52.8
Health and Education Related Problems			
Health related problems	255	22.2	22.6
Mental agony	636	55.2	37.7
Education related issues	217	18.8	9.4
Social Loss			
Loss of relatives and dear ones	289	25.1	18.9
Other Problems			
Others specify	5	0.4	
Travel related issues	602	52.3	22.6
No crisis	53	4.6	3.8
<i>Source: GIFT survey on NRKs</i>			

Third column in table 2 presents the impact after both the first and second waves which shows that the major effect on NRKs has been the income loss which accounts for 71 per cent and a job loss accounting for 47 per cent. It is seen that income loss has been more than job loss. Many of the respondents who lost job during the first wave was observed to be continuing as unemployed and the number of unemployed also increased after the second

wave. 52.8 per cent of respondents showed an increase in indebtedness burden. The impact after both the waves on health shows 22.6 per cent suffered from health-related problems, 37.7 per cent suffered from depression. 18.9 per cent have faced social loss by losing their relatives and dear ones.

Government interventions during COVID and people's response

Majority of the respondents stated that the welfare schemes of Government during the time of pandemic was beneficial. Food Kit provision and free vaccination were two important benefits received by most of the respondents (Table 3).

Table 3: Government interventions at the time of COVID crisis	
Government Interventions at the time of crisis	Per cent
Direct Cash Benefit	7.5
Medical assistance	3.8
Community Kitchen	5.7
Quarantine facility	7.5
Food provision	7.5
Ambulance assistance	1.9
Food Kit provision	43.4
Free vaccination	43.4
Loan Moratorium	7.5
No Benefit received	32.1
Not needed benefits	9.4
<i>Source: GIFT survey on NRKs</i>	

66 per cent of the respondents (Highly beneficial to 18.9 per cent, Beneficial to 15.1 per cent and partially beneficial to 32.2 per cent) stated that the welfare schemes of Government were beneficial during the pandemic. Majority of the participants (75.5 per cent) suggested direct cash transfer to be more effective for meeting the COVID lockdown crisis.

Conclusion and policy recommendations

An increase in the number of return migrants along with reduction in out-migration rate found from CPHS analysis showed that the mobility of the migrant workers was adversely affected in Kerala. This might be characterized as one of the leading reasons behind a decline in remittance income of the household in Kerala by 13 per cent in Jan- Jul 2021 compared to Jan-Jul 2020. For a state like Kerala, which is highly dependent on remittance income faced economic distress for two years 2019-20 and 2020-21 with a negative GDP growth

experienced in 2020-21 of -9 per cent. However, the economy is observed to be reviving with a positive GDP growth of 7 per cent during 2021-22.

GIFT survey on NRKs also suggested an increase in the number of return migrants. The economic and social condition of the return migrants reveals that a major share of return migrants was suffering from economic problems like income and job loss, facing burden of household debt, have various health related problems and going through severe depression. The welfare schemes and various government interventions were found to be beneficial by the return migrants.

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