

Investment Pattern of Gulf Migrants in Thiruvananthapuram District: A Critical Analysis

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DOI: 10.46609/IJSSER.2024.v09i06.020 URL: <https://doi.org/10.46609/IJSSER.2024.v09i06.020>

Received: 8 June 2024 / Accepted: 30 June 2024 / Published: 7 July 2024

ABSTRACT

The study examines the economic behavior of Gulf migrants in terms of their savings habits, investment preferences, and the impact of their financial decisions on the local economy. This article aims to provide insights into the socioeconomic dynamics of Gulf migration and its implications for both migrants and the host community. The findings underscore the need for tailored policy interventions to harness the potential of remittances and investments for sustainable development in Thiruvananthapuram district. Keralites living in gulf are wealth of India and Strength of Kerala. Remittances receive serve as a key source of income for Kerala's economy. The migrant household utilize the bulk of the remittance from the gulf countries on consumption, savings and investment. It has been recognized as a powerful tool for income generation and employment.

Key words: migration, saving, investment

INTRODUCTION

The Gulf region has long been a major destination for migrant workers from Kerala, with Thiruvananthapuram district being one of the key sending regions. This phenomenon has significant implications for both the sending and receiving communities, particularly in terms of economic remittances and investments. Understanding the savings and investment patterns of Gulf migrants in Thiruvananthapuram district is essential for policymakers and researchers alike to formulate targeted strategies for socioeconomic development. This article aims to fill this gap by providing a critical analysis of these patterns and their implications.

Human migration is the movement of people from one place to another with intentions of settling, permanently or temporarily, at a new location (geographic region). It can be within the borders of a country or outside. Migration is a universal phenomenon and Migration takes place in two ways; external migration and internal migration. External migration occurs when people migrate from a country to foreign country. On the other hand, internal migration occurs from region to region within a country. Migration can be voluntary or involuntary movements. People are migrating to the countries like USA, Middle East, Canada, European countries, South Asian countries and others to find better occupational opportunities. These migrants vary from unskilled workers to large scale businessmen.

The remittances to the state have played a major role in providing employment opportunities in many sectors. The impact of migration and the remittances it brought to the state can be seen in various areas like housing, transportation, town planning, educational and religious institutions, amenities and other infrastructural facilities. The housing facilities enjoyed by the migrants are more luxurious compared to non-migrants. The development can also be noticed in the commercial sector like commercial complexes, hotels and hospitals emigration to Gulf countries totally changed the socio-economic conditions of certain regions in Kerala.

Remittance inflows have been found to be positive in some instance like providing credit in countries with weak financial sectors, promoting self-employment, stabilizing domestic output, eradicating poverty and increasing the importance of education. Remittance inflows are linked to less favorable outcomes. It includes creating moral hazard among recipients of remittances who avoid remittance income than occupational income and thus end up resigning from their own jobs and lowering supply of labour, increasing income inequality, appreciating the real exchange and increasing inflation.

In 2022, the top five recipient countries for remittances inflows in current USD were India (100 billion), Mexico (60 billion), China (51 billion), the Philippines (38 billion), and Egypt (32 billion). India has been the largest recipient of remittances since 2008. In terms of remittances as a share of gross domestic product, by contrast, the top five recipients in 2022 were smaller economies: Tonga (50%), Lebanon (38%), Samoa (34%), Tajikistan (32%) and the Kyrgyz Republic (31%). Saving is income not spend. Savings are excess of income over expenditure for any economic unit.

Savings encourages the investment through financial intermediation and flow of funds in the capital market. The saver has a low risk and short time preference. Investment is also the allocation of monetary resources to assets that are expected to yield some returns over a period of time. Numerous avenues of investment are available today. Investment means parking of money

with banks and financial institutions and in certain assets, and earning income through it during a specified period. It is also a tool to meet the financial goals of an individual like buying a house, buying a vehicle, education of their children, marriage, meeting unforeseen expenses and leading a happy, healthy and comfortable retired life. Hence, studies on savings and investment have acquired special significance in our country since the advent of five year plans. The growing importance of remittances has lead to higher economic development.

OBJECTIVES:

1. To analyze the savings and investment patterns of Gulf migrants in Thiruvananthapuram.
2. To examine the saving and investment patterns before and after the migration.

METHODOLOGY OF THE STUDY:

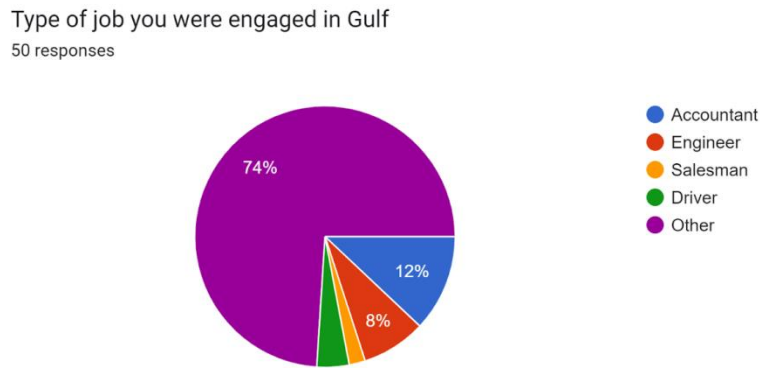
For the present study both secondary and primary data were used. Primary data were collected from 50 respondents from Thiruvananthapuram district. For the collection of primary data, a structured interview schedule was prepared and administered among the respondents. Direct interview also made for collecting data from various respondents. Secondary data are collected from authentic books, periodicals, research papers and articles etc

DATA ANALYSIS

The present study provides a detailed picture about the saving and investment pattern of Gulf Migrants based on Primary Data. The data collected from 50 respondents in Thiruvananthapuram district. The study revealed that 46% of the Respondents were Female and 54% of the Respondents were Male. 32% of the respondents belong to the age group of 40-50 years, 30% of the respondents belong to the age group below 25 years, 28% of the respondents belong to the age group between 26-40 years and 10% of respondents belong to the age group of above 50 years. It is revealed that 44% of the respondents have chosen to Migrate to Dubai, 18% of the respondents have chosen to migrate to Abu Dhabi, 16% of the respondents have chosen to migrate to Sharjah, 8% of the respondents have chosen to migrate to Saudi Arabia, 8% of the respondents have chosen to migrate to Bahrain and 6% of the respondents have chosen to migrate to Qatar.

The below data revealed the nature of job engaged by the respondents in the migrated country. It shows that 74% of the respondents were engaged in other category jobs, 12% of the respondents were working as Accountant, 8% of the respondents were working as Engineer, 4% were working as Salesman and 2% were working as Driver.

Figure 1: Nature of job engaged by the Respondents



Primary Survey

Table 1. Monthly Income

Monthly Income	No of Respondents	Percentage
Rs.10,000-20,000	1	2%
Rs.30,000-40,000	5	10%
Rs.50,000-60,000	14	28%
Rs.70,000-80,000	23	46%
Greater than Rs.80,000	5	10%
Greater than Rs.90,00,000	2	4%
Total	50	100%

Primary Survey

The above data reveals the Monthly Income of the respondents after Migration.46% of the total respondents Monthly Income After Migration falls under the category of Rs.70,000-80,000, 28% falls under income level between Rs. 50,000-60,000,10% falls under income level between 30,000-40,000, 10% falls under income greater than Rs.80,000, 4% Greater than Rs.90,000 and 2% between 10,000-20,000.

Table 2. Monthly Savings Before Migration

Monthly Savings Before Migration	No of Respondents	Percentage
Less than Rs.20,000	32	64%
20,000-30,000	6	12%
30,000-40,000	8	16%
Greater than Rs.40,000	4	8%
Total	50	100%

Primary Survey

The above data reveals about monthly savings of the respondents before migration. It shows that 64% of the total respondents Monthly Savings Before Migration falls between Less than Rs.20,000, 16% falls between 30,000-40,000, 12% falls between 20,000-30,000 and 8% falls for the amount Greater than Rs.40,000.

Table 3. Monthly Savings after Migration

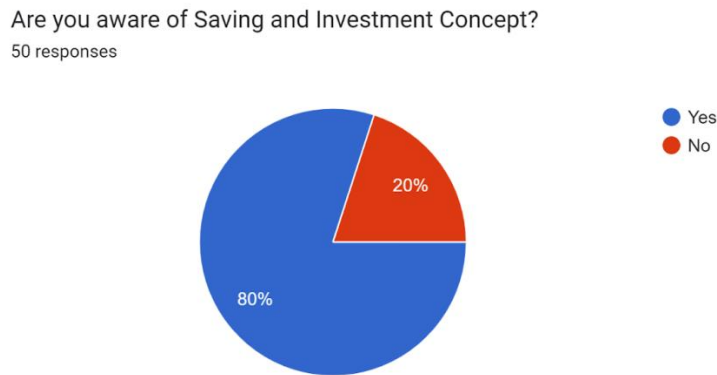
Monthly Savings After Migration	No of Respondents	Percentage
Greater than Rs.2,00,000	19	38%
3,00,000-4,00,000	5	10%
4,00,000-5,00,000	19	38%
Above Rs.5,00,000	12	24%
Above Rs.1,00,000	6	12%
Total	50	100%

Primary Survey

The above data reveals the Monthly Savings of the respondents after migration. It shows that 38% of the total respondents Monthly Savings after Migration falls under the category between Rs. 4,00,000-5,00,000, 24% falls for the amount greater than Rs.5,00,000, 16% falls for the

amount greater than Rs.2,00,000,12% falls for the amount above Rs.1,00,000 and 10% falls between Rs.3,00,000-4,00,000.

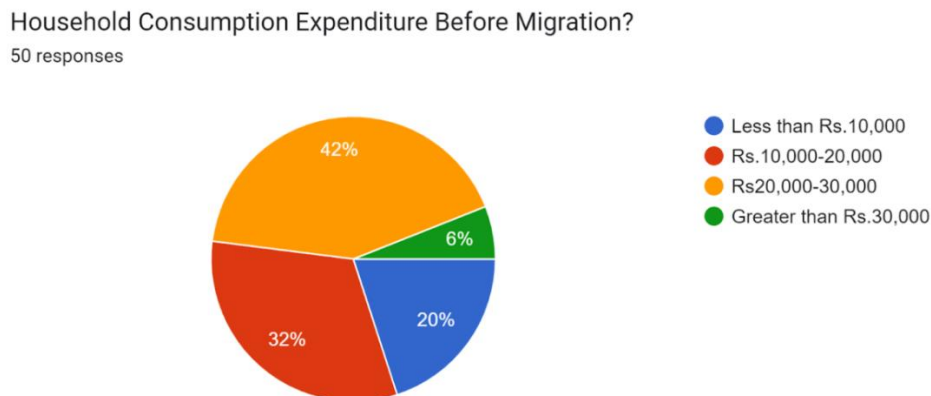
Figure 2 Awareness level of savings and investment



Primary Survey

The above represented pie diagram shows the awareness level of the respondents regarding the savings and investment concept. It reveals that 80% of the respondents are aware about the Savings and Investment concept and 20% of the respondents were not aware of this concept.

Figure 3. Household Consumption expenditure before migration



Primary Survey

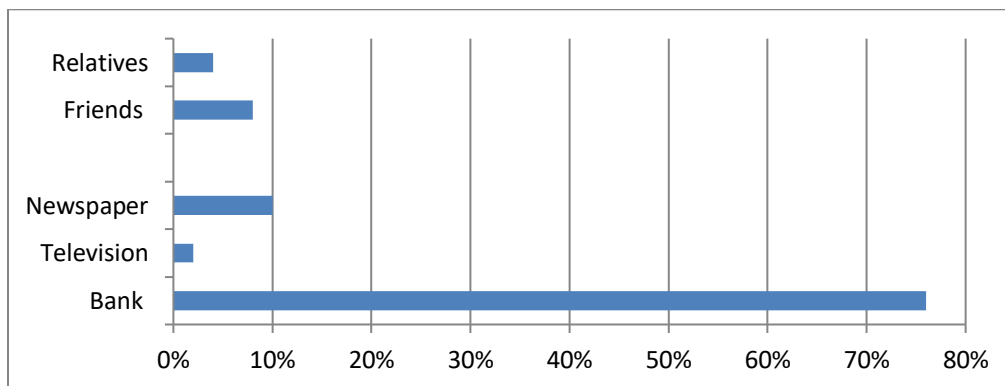
Table 4. Household Consumption Expenditure after Migration

Household Consumption Expenditure After Migration	No of Respondents	Percentage
Less than Rs.20,000	2	4%
20,000-30,000	5	10%
30,000-40,000	2	4%
40,000-50,000	8	16%
50,000-60,000	22	44%
Greater than Rs.60,000	11	22%
Total	50	100%

Primary Survey

The above data reveals the Consumption Expenditure of the respondents after migration. It shows that 44% of the respondents have consumption expenditure after migration falls between Rs.50,000-60,000, 22% have consumption expenditure Greater than Rs.60,000, 16% consumption expenditure falls between Rs. 40,000-50,000, 10% consumption expenditure falls between 20,000-30,000, 4% falls between Rs. 30,000-40,000 and 4% comes in the category of less than Rs.20,000.

Figure 4. Sources the respondents came to know regarding different savings and investment schemes

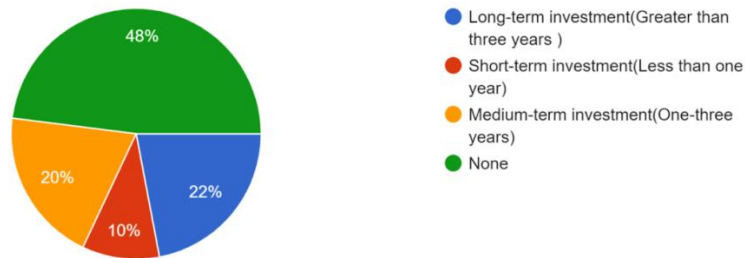


Primary Survey

The above represented bar diagram reveals the source they came to know about different savings and investment schemes. 76% of the respondents came to know about different Savings and Investment Schemes from Bank, 10% from Newspaper, 8% from Friends, 4% from Relatives and 2% from Television.

Figure5

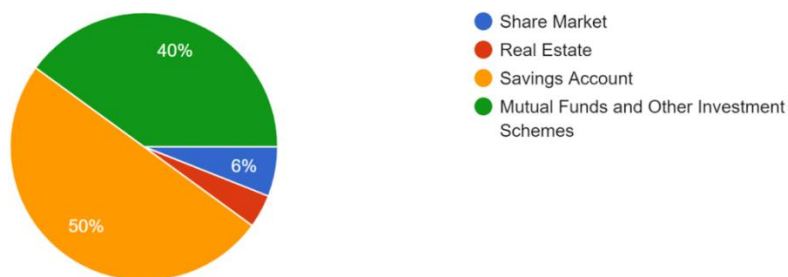
If Yes, period of Investment you have chosen
50 responses



The above pie diagram represents the different period of investment chosen by the respondents. It shows that 48% have not mentioned specified period of investment, 22% have chosen long term investment, 20% have Medium-term investment and 10% have chosen Short-term investment.

Figure6

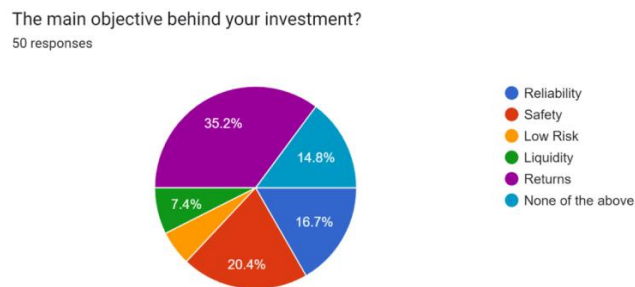
How do you invest your savings?
50 responses



Primary Survey

The pie diagram shows how respondents invest their savings. 50% of the total respondents invest in their savings in Savings Account, 40% invest in Mutual funds and other investment Schemes,6% invest in Share Market and 4% Real Estate.

Figure7



Primary Survey

The above pie diagram reveals the objective of the respondents behind an investment. 35.2% of the total respondents objective behind an investment is Returns,20.4% objective was Safety,16.7% was Reliability,14.8% respondents have No specific objective behind investment, 7.4% was liquidity and 5.6% was low risk.

Table 5. Mode of Savings

Mode of Savings	No of Respondents	Percentage
Bank Savings	28	56%
Post Office Savings	3	6%
Both Bank and Post Office Savings	6	12%
Savings in Self-Help Groups	4	8%
None of the above	9	18%
Total	50	100%

Primary Survey

The above data shows the mode of savings preferred by the respondents. 56% respondents prefer Bank Savings,18% prefer none of the above mentioned Mode of Savings,12% prefer Both Bank and Post Office Savings,8% prefer Savings in Self-Help Groups(SHG) and 6% prefer Post Office Savings.

Table 6. Investment Pattern before migration

Investment Pattern Before Migration	No of Respondents	Percentage
Buying a land	7	14%
Buying an Apartment	8	16%
Investment in Small Scale Business	4	8%
Others	17	34%
None of the above	14	28%
Total	50	100%

Primary Survey

The above data shows the Investment pattern preferred by the respondents before migration. It reveals that 34%of the respondents prefer Other Investment Pattern Before Migration, 28% prefer None of the Above mentioned Investment Pattern ,14% prefer Buying a Land ,16%, prefer Buying an apartment and 8% prefer Investment in Small Scale Business.

Table 7. Investment Pattern After migration

Investment Pattern After Migration	No of Respondents	Percentage
Bank Deposit	18	36%
Investment in Share Market or Bond	5	10%
LIC	17	34%
Others	7	14%

None of the above	3	6%
Total	50	100%

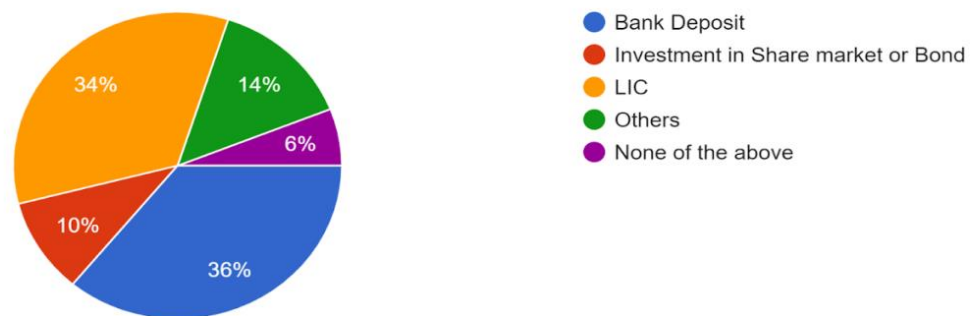
Primary Survey

The above table reveals the Investment Pattern preferred by the respondents after Migration. 36% of the respondents prefer Bank Deposit, 34% prefer LIC, 14% prefer other type of investments, 10% prefer Investment in Share market or Bond and 6% prefer none of the investment pattern after migration.

Figure 8

Investment Pattern you prefer after migration?

50 responses



Primary Survey

CONCLUSION

A critical analysis of the savings and investment patterns of Gulf migrants in Thiruvananthapuram district could yield valuable insights into the economic behavior and impact of this significant demographic. Majority of the Indian migrants come from poor family. They migrate to earn a better living. Hence, first preference in their host countries should be to maximize their available savings and remit to home. Indian migrants face a lot of problems at different stages, which are complicated by corruption, involvement of middlemen and fraudsters. Although return migration is a predictable feature of temporary or contract migration, information to gauge its magnitude and impact is dispersed. There is a need to provide awareness regarding the concept of Savings, Investment also about different schemes implemented in the

coming years. This will make the general public more alert and aware. It provides employment to the unemployed youth and works as a social safety valve. Savings should be encouraged more and proper attention should be there to address their problems and grievance.

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