The Role Of Out-Migration And Demographic Dividend: A Study In Rural Assam

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Abstract:

The study attempts to explain the contribution of out-migration and the phenomenon of demographic dividend in rural Assam. It is the basic issue of rural Assam that out-migrants do not send considerable amount of remittances to their households. There is loss of human capital especially economically active population in rural sector. It could not be compensated by inadequate amount of remittances sent by rural out-migrants. These rural youths would be productively employed in non-farm sector to harness demographic bonus. It necessitates adequate implementation of rural development schemes to encourage self employment, thereby preventing rural out-migration and turn them into assets of rural economy.

Keywords: Rural out-migration, remittances, demographic dividend, rural development scheme, non-farm employment

I. INTRODUCTION

India is passing through a phase of unprecedented demographic changes which contribute to a substantially increased labour force. As per census projection report, the proportion of working age population between 15 and 59 years would increase from 58% in 2001 to more than 64% by 2021. India's working age population constitutes 67% of total population with dependency ratio of 48.66 % during 2020 (The Hindu, 3rd April, 2022 & Kanwal, 2022). It is India's competitive advantage to harness and maximize demographic dividend by creating sufficient employment opportunities. Demographic dividend refers to a situation when there is a boost in economic productivity with growing number of people in workforce relative to number of dependents. As per census, rural population constitutes 64.61% of total population with workforce of 72%. The study focuses on the importance of rural-urban migration on reaping demographic bonus. Migration can contribute to development at the

place of origin in terms of poverty reduction and economic growth through remittances sending and at the place of destination in terms of increased economic growth if policymakers can manage migration effectively (Sali & Astige, 2015). Internal migration is a vital strategy for both urban and rural areas and contributes to harvest demographic bonus in both areas. Rural outmigration creates some favorable and unfavorable phenomenon in terms of resources per capita, receipts of remittances migrant workers. sent by Moreover, less number of people consuming in families and changes in composition and structure of population with loss of young labour force and economically active population and split of families etc. are prevalent in rural communities. The place of destination where rural out-migrants settled experience increased economically active labour force and cultural wealth with intermixture of diverse culture. On the other hand, heavy burden on resources, services such as education, health care facilities, abrupt growth of slums with scarcity of basic

infrastructure. overcrowding leading environmental issues etc. are found. Even though the rural areas lose young labour force but migration reduces the burden of surplus labour by employing them productively in urban or semi-urban sector. Rural areas are benefitted by remittance which constitutes economic wealth for the families. In urban areas, migration reduces the problem of young labour shortage. Both sending and receiving areas benefit from migration as cities flourish the opportunity of demographic window while rural areas could harvest demographic bonus. The preconditions for demographic dividend include favorable employment opportunities and investment strategy. Rapid urbanization and employment opportunities attract rural labour force in urban areas. If the surplus labour force could not be employed fully, the prospects of demographic bonus would be transferred into a large burden of unemployment.

The study considers the case of rural outmigrants in Assam. The reasons for outmigration from rural Assam include higher proportion of employment followed by marriage, movement of earning members of family, securing education, others and distress migration (NSSO, 2007-2008). North eastern are not sending remittance of considerable amount in spite of impressive income compared to other states due to high personal expenditure. The average annual remittances stand at Rs. 578.7 and the preferred mode of sending is formal banking system (Remesh, 2012). Less remittance sending and loss of rural labour force affect the process of reaping demographic dividend.

Statement of Problem

Majority of out-migrants belong to the age groups of 18-25 and 25-30 signifying loss of rural youth that could be employed productively in rural areas by adopting necessary requirements. Moreover, this loss could be compensated in terms of remittances sending to rural households. But a significant portion of rural out-migrants in Assam do not send remittances (NSSO 64th round report,

2007-2008). The study focuses on rural outmigrants instead of urban out-migrant. Assam is rural in nature with abundance of natural resources and its proper utilization could boost GDP of the state indicating the first stage of harnessing demographic dividend. The study attempts to consider the rural out-migration and the scenario of demographic dividend based on secondary data of NSSO, 64th Round on Employment, Unemployment and Migration conducted during 2007- 2008.

2. LITERATURE REVIEW

Peng & Cheng (2005) found the significance of rural-urban migration in China on harnessing demographic bonus. The study reveals that although internal migration from rural to urban areas results in loss of young labour force in rural areas but this type of migration benefits both receiving and sending areas in terms of demographic bonus. The reduction of burden of excess unemployed labour and receipt of remittances in rural areas; reducing the problem of labour shortage in urban areas and the urban pension system benefitted by rural young labour force are some factors of harnessing demographic dividend in both rural and urban China. Sending of remittance in considerable amount can improve socio-economic condition of rural households of out-migrants.

Msigwa & Bwana(2013) conducted a study which reveals that internal migration classified by rural to urban, rural to town and nonmigrants are positively and significantly influenced by wage differentials, gender (male) The study forwarded some age. recommendations to develop and modify policies on migration keeping into account nature of regions and reasons of movement, investment in rural sectors with controlled prices of farm products, fair attitude of manpower agencies towards job seekers in terms of salary, effective role of trade union, reviewing the policies for urban employment, integration of community development plan with migration etc. Out-migration results in loss of young labour force at the place of origin which could be compensated for remittance and the place of destination experiences growing economically active population; thereby creating some impacts on demographic bonus. Bover et al. (1999) conducted a study regarding rural out-migration and remittances in the countries like Spain, Tanzania, China, and Ethopia, Ghana etc. It is found that there is a significant increase in intra-regional migration in Spain since 1980's and the probability of intra-regional migration classified by the size of town of origin and destination is positively and significantly influenced by some explanatory factors such as house price, unemployment, share of employment in service sector and education. Besides the economic factors, demographic factors, human capital and possession of land and its size influence migration and remittance.

Olowa & Awoyemi (2012) found that age of household head, size of landholding, number of male over age 15 and households with more educated members at secondary and tertiary level have a significant positive association with the receipts of remittances. On the other hand, gender, household size, household owing land have significant negative impacts on the probability of migration and remittances.

Research Gap

Several studies are conducted on rural-urban migration focusing its determinants and impacts at the place of origin and destination. But studies considering the role of outmigration and its association with the "window of opportunity" or demographic dividend are very limited. Hence, the present study will focus to consider the role of rural outmigration and demographic dividend.

Objective

The present study will attempt the following objectives.

 To consider the role of out-migration in rural Assam.

- To focus on remittance and demographic dividend.
- To provide some recommendations based on study.

3. RESEARCH METHODOLOGY

The study is based on secondary data. The study uses data of 64th round Socio-Economic survey conducted by National Sample Survey Organization (NSSO) and Ministry of Statistics and Programme Implementation (MOSPI) in 2007-2008. The schedule 10.2 of the survey contains the particulars of employment, unemployment and migration out of which only the data for out-migration of rural Assam have been used.

Originally, data of 64th round survey are collected and chosen by using questionnaire and stratified multi-stage sampling method where the first stage units (FSU) include villages recorded in census of 2001 in rural sector and Urban frame survey (UFS) blocks in urban sector with a sample of 1, 25,578 households (79,091 in rural areas and 46,487 in urban areas) containing 5, 72,254 persons (3, 74.294 in rural and 1, 97,960 in urban areas) at all India level. Total sample size of households selected for Assam is 3040 which include 14,273 persons in the NSSO survey. From the sample of total out-migrants of 1427, only rural out-migrant is used as sampling unit for the present study and its sample size is 1016 used in the NSSO survey. The present study is based on sample of 1016 of rural out-migrants which contains records of rural out-migrants from four regions of Assam as classified in the NSSO survey in terms of Plain Eastern, Plain Western, Cachar plain and Central Brahmaputra plain.

4. DISCUSSION

Rural Out-migration, remittance and demographic dividend

The paper attempts to explain briefly the contribution of remittance to rural household and consider the opportunities to harness

demographic dividend in rural sector depending on the extent of compensation by remittance of rural young labour force.

Table.1 Distribution of out-migrants based on remittance receipts

Amount of Remittance (in Rs.)	Number of out-migrants
Up to 1000	25 (4.39)
1,001-5,000	163 (28.60)
5,001-9,000	84(14.74)
9,001-13,000	85(14.91)
13,001-17,000	41(7.19)
17,001-21,000	50(8.77)
21,001-25,000	38(6.67)
25,001-29,000	2(0.35)
29,001-33,000	18(3.16)
33,001-37,000	18(3.16)
37,001-41,000	11(1.93)
Above 41,000	35(6.14)
No.of outmigrants sending remittance	570 (56.10 %)
No. of out-migrants who do not send remittance	446(43.90 %)
Total out-migrants	1016

Source: Calculated figure from NSSO, 64th round survey

Figure in parenthesis denote percentage

Table.2 Share of remittance to PCAI and No. of out-migrants

Source: Calculated figure from NSSO, 64th round survey & Assam HDR, 2013

Contribution of Remittance	No. of out-migrants	No. of out-migrants	
to per capita annual income		Remittance	Remittance
of rural households		above 50% of	below 50%
		PCAI	of PCAI
Less than 20%	157	254	316
20%-30%	71		
30%-40%	39	Per capital annual income (PCAI) of rural Household (2004-2005 prices) = Rs.22,087 (Assam HDR,2013)	
40%-50%	51		
50%-60%	46		
60%-70%	28		
70%-80%	12		
80%-90%	28		
90%-100%	23		
Above 100%	116		
	Total=570		

Table.3 Statistics on share of out-migrants based on different factors

Particulars	Percentage
Share of out-migrants who send remittance out of total out-migrants	56.10%
Share of out-migrants who do not send remittances out of total out-migrants	43.90%
Share of out-migrants who engaged in economic activity out of total out-migrants	65.55%
Share of out-migrants who are not in economic activity out of total out-migrants	34.44%
Share of out-migrants of total out migrants in economic activity who send remittance	85.5%
Proportion of out-migrants of total out-migrants in economic activity but do not send remittance	14.41%
Share of Male out-migrants out of total out-migrants	70.77%
Share of Female out-migrants out of total out-migrants	29.23%
Proportion of Male out-migrants of total male in economic activity	88.19%
Proportion of Female out-migrants of total female in economic activity	10.77%
Share of Male out-migrants of total male in economic activity and send remittance	87.70%
Share of Male out-migrants of total male in economic activity but do not send remittance	12.30%
Share of Female out-migrants of total female in economic activity and send remittance	43.75%
Share of Female out-migrants of total female in economic activity but do not send remittance	56.25%
Proportion of Male out-migrants of total male not in economic activity without sending remittance	11.82%
Proportion of Female out-migrants of total female not in economic activity without sending remittance	89.23%
Share of Female out-migrants of total out-migrants not sending remittance	95.29%
Share of Male out-migrants of total –out-migrants not sending remittance	22.67%
Share of Female Out-migrants of total non-remittance sending out-migrants	63.45%
Proportion of Male out-migrants of total non-remittance sending out-migrants	36.55%
Share of out-migrants in dependent age group (below 15 and above 64) of total out-migrants	3.44%
Share of out-migrants in working age group (15-64) of total out-migrants	96.56%
Out of total female	
Married female out-migrants	74.75%
Unmarried female out-migrants	15.49%
Widow/divorced out-migrants	9.43%
Share of female out-migrants of different marital status in sending remittance and	
not sending remittance	
Female married out-migrants	2.70%; 97.30%
Unmarried female out-migrant	8.70%; 91.30%
Widow/divorced female out-migrant	14.29%;85.7%

Source: Calculated figure from NSSO 64th Round Survey, 2007-2008.

It is shown from the tables 1, 2, & 3 that 56.10 % of rural out-migrants send remittance and the rest 46.90% do not send remittance. Majority of out-migrants (28.60%) send remittance ranging from Rs.1001 to Rs.5000. About 14.91% outmigrants send remittances between Rs.9001-Rs.13000, while only 6.14% out-migrants remit above Rs.41, 000 and the rest of remittance sending out-migrants are recorded as small proportion in each category of remittance amount. Male and female out-migrants constitute about 70.77 percent and 29.23 percent with 96.56 percent out-migrants belonging to working age group (15-64). About percent out-migrants engaging in economic activity send remittance As per Assam HDR survey of 2013, it is considered that per capita annual income (PCAI) at household level in rural Assam at constant price (2004-2005) is Rs. 22,087. It is observed that majority of remittance sending out-migrants (316) contribute below 50 percent of PCAI and the rest 254 out-migrants contribute above 50 per cent of PCAI of households in rural Assam. Although 116 out-migrants send remittance above PCAI but 157 out-migrants do not send a significant amount of remittance which constitutes only less than 20 per cent of PCAI. Again, 56.25 percent female out-migrants and 12.30 percent male out-migrants engaged in economic activity do not send remittance. Remittance reduces liquidity constraints by improving stability of access to quality food and support food production (FAO, 2015). So, remittance needs to be adequate amount that could be made for productive investment to boost rural livelihood. But the magnitude of remittance received by rural household is not considerable in Assam (NSSO, 64th round, 2007-2008).

There is loss of human capital in terms of economically active population in rural sector which is not compensated by inadequate amount of remittance sent by rural outmigrants. It could be productively employed in non-farm sector due to low land-labour ratio in

farming sector in rural areas. The demographic transition of India's population increases the share of working age population across Indian states which are assets for potential economic growth if productively employed to open up the window of opportunity i.e. demographic dividend. The vital channels of generating demographic bonus include labour supply, saving, demand and human capital but proper functioning of these channels depend on policy for health, education and employment creation. Assam possesses abundant natural resources and increasing percentage of working age population (70.2 percent) as per Assam HDR, 2013 indicating growth potential through employment creation. In recent period, non farm sector receives an increasing attention by policymakers in implementing development strategies for its capacity of employment absorption, growing potentiality, rural out-migration, arresting reducing unemployment inequality, and poverty (Goswami & Bhattacharyya, 2014; Lanjouw & Shariff, 2004; Islam, 1997). It can increase productivity of labour, saving, stimulate demand and formulate human capital thereby making the rural sector to harness demographic bonus through productively employing the working age population especially youth rural out-migrants within the rural economy.

5. CONCLUSION AND RECOMMENDATION

Demographic dividend works through the channels of labour supply, saving, human capital and increased demand which depends on policy environment. The required policy options include enhancing investment in family planning programmes; creating a healthy workforce; focusing on education and skill; creating sufficient employment opportunities; promoting gender equality along with women empowerment; encouraging saving strengthening governance, investment; efficiency and accountability. This paper considers rural out-migration as one of the conditions for harnessing demographic bonus. Both sending and receiving areas benefit from migration as cities flourish the opportunity of demographic window while rural areas could harvest demographic bonus. But remittance sent by out-migrants is insignificant to sustain livelihood condition and some out-migrants in economic activity even do not send remittance. Rural sector sustains loss of human capital which is not compensated by smaller amount of remittance as household size of most of outmigrants lies within 1-5 with agriculture as household occupation (NSSO, 64th round, 2007-2008) and income from farming is uncertain due to various constraints.

Again majority of rural out-migrants hold elementary schooling without technical skill (NSSO, 64th round, 2007-2008). From the view point of reaping demographic dividend under the circumstances of growing working age population of India lasting till 2055, rural young labour force can be productively employed within this sector by strengthening rural development strategies to promote employment activities especially non-farm employment. Nonfarm sector experiences uncertain income as education and skill is the most significant factors influencing income from non-farm sector along with per capita landholding and family size (Bhuyan and Mitra, 2018) but majority of out-migrant's household members belong to elementary level of schooling which is expected to be the cause of inadequate income of Households. The state implemented several schemes has Kalapataru (finance), Chief Minister Self Employment Scheme, CM Special scheme, Handloom and Textiles and recently relaunched scheme Swami Vivekananda Assam Youth Empowerment scheme. It can be recommended for emphasizing the programmes of developing skill and training of rural youth at free cost; checking the functioning of middlemen in implementing rural development schemes; developing rural infrastructure to generate positive externality for rural youth; publicity of products through social media, workshop and seminar etc. in order to turn rural out-migrants into wealth of rural economy.

6. **BIBLIOGRAPHY**

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