

Wages and Remittance Behaviour among Migrant and Local Labour in Kerala

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ABSTRACT

This paper examines the quality of work life, wage structure, living expenditure, savings and remittance behaviour of migrant and local labour in Kerala. The paper is derived from a primary survey conducted between April 2015 and June 2016 across three zones of Kerala—South, Central and North—covering Trivandrum, Kochi and Kozhikode. The sample comprised 450 migrant labourers, 225 local labourers and 90 employers from construction, hotel and restaurant, and domestic-work sectors. Structured interview schedules were used and the study employed descriptive statistics, chi-square tests, t-tests, logistic regression and other inferential procedures. The findings show a clear economic differentiation in the allocation of earnings. Average monthly wages were Rs.12,650.78 for migrant labourers and Rs.15,132.44 for local labourers. Migrant workers allocated 64.10% of wages to remittances, 25.02% to living expenses and 10.88% to savings, whereas local labourers allocated 62.68% to living expenses and 37.32% to savings. Significant differences were reported in wages, savings, remittances and living expenses. The study also identifies differences in accommodation, food provision, employment nature, training, service benefits and other work-life indicators. The paper argues that migrant labour should be understood not merely as a source of low-cost labour but as a workforce whose living and employment conditions are closely connected with industrial productivity and social welfare.

Keywords: migrant labour; local labour; quality of work life; wages; remittances; Kerala; labour welfare; industrialisation..

INTRODUCTION

Migration is a persistent feature of human societies and has acquired renewed importance under globalisation, regional disparities and changing labour markets. The source study frames migration as a process influenced by uneven development, income disparities, inadequate employment generation and differences in employment opportunities. Kerala presents a distinctive setting because relatively high living standards and wages coexist with substantial demand for labour in sectors such as construction, hospitality and domestic work. The study underlying this paper focuses on the quality of work life of migrant and local labour and examines wages, living expenses, savings, remittances and employment benefits. It also considers accommodation, food, health and social security provisions, training, working time and service benefits as dimensions of work-life quality. The source study explicitly identifies these dimensions and compares migrant and local labour across three employment sectors. The theoretical background in the study draws on Lee's push-pull approach and the Harris-Todaro model. Lee's framework distinguishes factors associated with origin, destination, intervening circumstances and personal factors, while Harris-Todaro emphasizes expected earnings and the probability of obtaining employment. These approaches provide a useful sociological and economic context for examining why workers enter Kerala's labour market and how migration interacts with employment conditions.

2. REVIEW OF LITERATURE

The study review records a substantial body of work on migration, labour markets and Kerala. Shamna and Baiju (2016) examined economic and non-economic challenges among immigrant construction workers in Kerala, including income, wages, working conditions, health and social security. Jayakumar (2016) emphasized the role of local governments in migrant welfare. Sumeetha (2015) examined migrant workers in Kerala's gold-jewellery labour process and highlighted wage flexibility, functionality and numerical flexibility. Studies by Zachariah and

Rajan addressed migration, development, remittances, employment and the changing relationship between migration and Kerala's economy. Earlier studies reviewed in the study also identify poor housing, limited sanitation, wage discrimination and weak access to social protection among migrant workers. Research on seasonal and internal migration emphasizes the role of employment opportunities, wage differentials, household strategies and social networks. The present paper extends this literature by bringing migrant and local labour into the same comparative empirical framework and by examining the allocation of earnings alongside work-life conditions.

3. OBJECTIVES

- To compare the quality of work life of migrant labour with local labour in the identified sectors.
- To examine differences between migrant and local labour in wages and living expenses.
- To examine savings and remittance allocation among migrant and local labour.
- To identify differences in employment benefits, training, working time and related work-life conditions.

4. RESEARCH METHODOLOGY

The study is descriptive and analytical and uses primary and secondary data. Primary data were collected separate structured interview schedules for migrant labourers, local labourers and employers. A pilot study included 10 labour respondents and two employers. The population consisted of migrant labour in Kerala. Multistage purposive sampling was used. Kerala was divided into South, Central and North zones, represented by Trivandrum, Kochi and Kozhikode. In each district, 50 migrant labourers and 25 local labourers were selected from each of three sectors: construction, hotel and restaurant, and domestic work. Thus, the labour sample comprised 450 migrant and 225 local workers. Ninety employers were also included, with 10 employers per sector across the three districts. The study reports the use of percentages, averages, standard deviation, chi-square, t-tests, Scheffe testing, logistic regression, one-sample t-tests, ANOVA, multiple regression, ranking and Spearman's rank correlation. The quality-of-work-life variables included accommodation, food, health and social security, amenities, assets, non-cash benefits, bonus/festival allowance, employment nature, monthly wages, working time, training and service benefits.

5. RESULTS

5.1 Overall Wage and Expenditure Pattern

Indicator	Migrant Labour	Local Labour	Gap / Test	Sig.
Mean monthly wages (Rs.)	12,650.78	15,132.44	-2,481.66; t=6.757	0.000
Savings (Rs.)	1,376.67	5,647.91	-4,271.24; t=20.484	0.000
Remittances (Rs.)	8,109.00	0	8,109.00; t=38.173	0.000
Living expenses (Rs.)	3,165.11	9,484.53	-6,319.42; t=25.503	0.000
Wages allocated to savings	10.88%	37.32%	—	—
Wages allocated to remittances	64.10%	0%	—	—
Wages allocated to living expenses	25.02%	62.68%	—	—

The overall results show a lower mean wage for migrant labour but a substantially different allocation of earnings. Migrant workers devoted the largest share of wages to remittances, while local labourers devoted a much larger

share to living expenses and savings. The study reports statistically significant differences in wages, savings, remittances and living expenses.

5.2 Sector-wise Wage Patterns

Sector	Migrant wage (Rs.)	Local wage (Rs.)	Migrant living expense (Rs.)	Local living expense (Rs.)
Construction	13,369.00	18,368.00	3,347.33	11,732.00
Hotel & Restaurant	12,110.00	18,069.33	3,065.33	11,680.67
Domestic work	12,473.33	8,960.00	3,082.67	5,040.93

The sectoral pattern is not uniform. In construction and hotel and restaurant work, local labourers had higher mean wages. In domestic work, migrant labourers had higher mean wages. The study reports significant t-test differences for wages, savings, remittances and living expenses in each sector.

5.3 Employment Benefits and Working Conditions

The study reports that 89.78% of migrant labourers did not receive allowances, compared with 68% of local labourers receiving allowances. Over-time payment, timely wages, sick leave and paid leave were also more favourable to local labour in the reported findings. The source concludes that organized payment and employment benefits were stronger for local labour. Working time also differed between the two groups. The reported mean working time was 9.18 hours for migrant labourers and 10.66 hours for local labourers. Among migrant labourers, sector-wise differences in working time were not statistically significant (chi-square significance 0.210), whereas sectoral differences were reported for local labour.

5.4 Training and Skill Acquisition

Training status	Migrant Labour	Local Labour
On-the-job training	62.22%	20.44%
Experience gained earlier	28.00%	60.89%
No training received	9.78%	18.67%

Training patterns reflect different employment histories. Migrant labourers more frequently acquired skills through on-the-job training, while local labourers more often reported previous experience. The chi-square test reported a significant difference between the two labour groups in training received.

6. DISCUSSION

The evidence indicates that wage comparison alone does not adequately describe the economic position of migrant labour. Although the overall mean wage of migrant labour was lower, migrant workers also reported much lower living expenditure and a large remittance commitment. This suggests that the migrant household economy extends beyond Kerala: a substantial share of earnings is transferred to the place of origin. Local labour, by contrast, had higher savings and living expenditure within the destination economy. The sectoral findings demonstrate that labour-market segmentation matters. The domestic-work sector differs from construction and hotel and restaurant work, particularly because migrant workers recorded a higher mean wage than local workers in that sector. At the same time, the domestic sector continued to show a large remittance share and lower living expenditure for migrant workers. Quality of work life also has multiple dimensions. The study reports significant differences between migrant and local labour in the nature of housing, food provision, type and regularity of meals, employer-provided health and security provisions, asset ownership, non-cash benefits, bonus or festival allowances, nature of employment, wages, working time, training and previous experience. These findings indicate that labour-market inequality is institutional as well as monetary.

7. IMPLICATIONS FOR LABOUR WELFARE AND INDUSTRIAL DEVELOPMENT

- Employment records should clearly document wages, working days, overtime, leave and other benefits for both migrant and local workers.
- Access to health, sanitation, safe accommodation and social-security information should be strengthened for

migrant workers.

- Financial literacy can help migrant workers manage savings and remittances through formal financial institutions.
- Skill development and language-sensitive workplace training can reduce adjustment barriers and improve occupational mobility.
- Employers and labour institutions should treat decent working conditions as part of productivity rather than as a separate welfare issue.

8. LIMITATIONS

The source study notes that survey responses reflect conditions at a particular point in time and were collected at work sites during working hours. Language and translation difficulties also affected some interactions. The findings therefore represent the sampled sectors, locations and period and should not be generalized beyond the study design without further evidence.

9. CONCLUSION

The comparative evidence demonstrates that migrant and local labour occupy different positions within Kerala's labour market. Migrant labourers received a lower overall mean monthly wage but devoted a much larger share of earnings to remittances and had substantially lower reported living expenditure. Local labourers had higher savings and living expenditure and better access to several employment benefits. Sectoral variation, particularly in domestic work, shows that the relationship between migration and wages is not uniform. A comprehensive labour policy therefore needs to combine wage protection, social security, accommodation, health, skill development and financial inclusion. The source study ultimately emphasizes that low-cost labour may provide an immediate industrial benefit, but long-term productivity depends on a healthy workforce and satisfactory quality of work life.

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