

**THE ROLE OF MIGRATION AND REMITTANCES
IN A GROWING ECONOMY:
PERSPECTIVES ON SOCIAL CLASSES
IN RURAL INDIA AND BIHAR**

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Abstract

This study aims to examine the current changes of domestic out-migration from rural areas and the impact of following remittances for the poorer rural households by economic and social strata, specifically focusing on the culturally and socially discriminated backwards, Dalits (in the official documents, expressed as “Scheduled Castes”: SC), during India’s remarkable economic growth from 1990s to the latter half of the 2000s decade, by using comparative household data sets provided by National Sample Survey Organization (NSSO) for those two decades. This paper also tries to measure the impacts of the recent economic development on Bihar, not only the poorest state but also of the fastest growing state in the 2000s.

In the 1990s, at the introductory stages of economic liberalization, the average per capita consumption expenditure (MPCE) levels of households which receive remittances from out-migrant to within India were much lower than non-migrant households. Conversely, in 2007-08, at the point of highest growth on Indian economy ever, there has been the evidence that remittances by out-migrants improved economic conditions of poorer households, since the levels of MPCE of out-migrant households with remittances are significantly higher than those of non-out-migrant households for all social classes. SCs also have benefitted from remittances via increased mobility, and this tendency is very notable in rural Bihar, where the most socially and economically backward group are better off by receiving remittances. In Bihar, the level of MPCE of agricultural labour SC households, the most backward social/economic group, with remittances far exceeds the MPCE level of the same types of households without remittances. As for the

determinants of out-migration, rather than pull factors, it appears that “rural distress” and “social distress” worked as push factors to be most influential to the rural poor

out-migrants who make remittances. Such rural distress and relative backwardness in a country could have been worsened because the recent economic growth has accelerated regional disparities. However, much increased remittances following out-migration by social backwards could play a role as means of poverty alleviation and as a means of possible empowerment for their backwardness.

Keywords : out migration and remittances, India and Bihar, Scheduled Caste, backwardness, poverty alleviation

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