

Emigration and Consumerism- A regional experience

Dr. Abdulla.M.P

Associate Professor of Economics, Post Graduate Department of Economics, EMEA College of Arts & Science, Kondotti, Kerala-India

Abstract: The present study was undertaken to examine the impact of emigration on consumerism in Malabar, the northern region of Kerala. Primary data were collected from three selected areas of Malappuram, a major district in Malabar which has highest concentration of emigrant population. The effect was verified in the light of data on income, consumption expenditure and durable stock of respondents. Regression models are employed to capture a deeper understanding of the phenomenon. The study showed that emigration, through its direct and indirect effects, played a crucial role in nurturing and shaping consumerism in the region. The facts found are indicative of the consumerist tendency that prevails in this region irrespective of level of education, religion, rural-urban divide or differences in the level of income.

Key Words: Consumerism, Consumer durables, Emulation, non migrant families, Social mobility

I. Introduction

Consumerism is the term used to denote the irrational behaviour associated with consumption and spending practices. It is economically manifested in the chronic purchasing of new goods and services, with little attention to their real properties. Accordingly, it generates a desire for anything which is new, modern, exciting and fashionable. The new culture that consumerism has brought about is supposed to have far-reaching effects on the economic sustainability of the community. This phenomenon has specific relevance in the context of Kerala, a state which is regarded as a consumerist state. Some studies in the context of Kerala have taken up the issue of Gulf migration. A major hypothesis emerged from these studies is that there exists a strong relation between emigration and consumerism in the state. Malappuram, a district in the Malabar region of the state, occupies a prominent position in terms of emigrant population and remittances. The present attempt is to examine the impact of emigration in shaping consumerism in this region. The study relied on the data collected from three selected areas of the district. This paper is arranged into five sections. The second section gives a general perspective of Kerala economy linking emigration and consumerism. Third section looks into the empirical evidences to the relation between emigration and consumerism in the context of Kerala. Fourth section is exclusively meant for the analysis of data collected through the sample survey. The last section offers concluding remarks.

II. Emigration & Consumerism: A Kerala Perspective

The state of Kerala is unique in many respects. As theories suggest, in the case of an economy, the process of economic development proceeds through certain definite path from primary to secondary sector and then to tertiary sector. But, the state of Kerala exhibited a distinct form in the process of its development i.e. development of tertiary sector bypassing secondary sector (Pillai & Shanta, 2005; Kannan, 2005; Chakraborty, 2005; Mohan and Shyjan, 2007). Consumerism might be considered as one distressing phenomenon that crept in to this development model. The housing and shopping practices that Kerala society follows are indicative of the consumerist culture prevailing in the state (Nair, 1986; Sooryamoorthy, 1977; Zachariah, et.al, 2003).

Kerala had contacts with various parts of the world from time immemorial. Though commercial in nature, these ancient contacts played an important role in the formation of a Kerala culture which was a symbiosis of various religion and ideologies. Kerala society experienced drastic changes in its socio-economic environment due to large scale migration. Gulf migration began on a large scale from the year 1973. The number of non-resident Keralites (NRKs)¹ was 34.3 lakh in 2011 (Zachariah & Rajan, 2012). Large-scale migration resulted in huge inflow of remittances to the Kerala economy. Total remittances for the year 2011 were 49695 crores which was 31.2 percent of net state domestic product.

The remittances thus accrued to the state have gone mainly to sustain increasing levels of consumption, acquisition of consumer durables and purchase of construction materials. The impact of Gulf migration and subsequent foreign remittances on consumption patterns of 'malayalis' is seen to be more severe than in any

¹ defined as the sum of emigrants and return emigrants

other region in India. The impacts of emigration on consumerism may be divided into two groups as direct and indirect. The changing life habits and spending spree associated with the increase in income may be included in the first part. The behaviour of emigrants and their relatives are shaped under the influence of the life habits at the destination. The latter includes the emulative behaviour especially among non-migrant families. Such behaviour is often facilitated by the waves of income which also is the offspring of emigration.

III. Impact Of Emigration On Consumerism: Some Empirical Evidence

The effect of migration on the possession of household consumer durables can be seen in two ways. First, it is found that the incidence of possession of household consumer durables is much higher among the migrant households compared to that of the non-migrant households. Secondly, a comparison of emigrant households among themselves by the duration of emigration has shown a positive association between possession of household consumer durables and duration of migration. Similar trend could be seen in the case of quality of houses and their sizes as well as number of vehicles and their types. The study by Zachariah and Rajan (2012) found that about 41.3 percentage of the houses of the Non-resident keralites (NRKs) in 2011 were either ‘luxurious’ or ‘very good’. The corresponding proportion was only 24.2 percent among the non-NRKs. An examination of this and related facts suggests that remittances are used mainly to acquire a variety of consumer goods as well as land and houses, vehicles and household accessories. These findings substantiate a strong positive relation between remittances and consumerism in Kerala.

Emigration has also played very positive role in bringing about a broader distribution of income and wealth in the society as also ensuing social mobility. The broader the distribution of income and wealth, the wider is the opportunity it offers for consumerist behaviour. Social mobility gives ample scope for consumerism since the individuals may resort to this behaviour in order to gain recognition of aspirant groups and to identify themselves with them.

Emulation, whose existence and persistence have a direct link with emigration, plays an important role as a decisive factor of consumerism. It oils its pace and determines its extent. Emulation has been considered a way of achieving status in the society. It is proposed that those in the lower echelons of society sought to emulate the life style choices of the upper and middle classes through fashion, travel and food tastes (McKendrick et al., 1982 cited in Mansvelt, 2005). By emulation, new consumers sought to demonstrate their worth and class in the society.

In order to indicate their power and status as well as their difference from others wealthy people engaged in conspicuous displays and practices of consumption. The act of emulating such group nurtured a race between upper classes that used to distinguish and immediate lower classes that used to chase through imitation. Gulf migrants, on their return, brought home modern gadgets of high quality and luxurious appearance which caused sensation among the population. As a result, possession of durables has become a craze and people used to accumulate their earnings to purchase foreign gadgets.

Housing and its premises are the major source of emulation in Kerala society. The rich, with their fortune, went on outdoing others and the middle as well as the lower income groups tended to emulate them quickly. Multiplicity of huge houses and mansions found throughout the state may be the offshoots of this behavioural pattern. Emulation and outspending behaviour were also explicit in the costly materials used for the flooring of the houses. Another mode of emulation we found is in the case of furnishing of the houses. Marriages, festivals and receptions are some other major areas where spending extravaganza is very extensive indicating emulative behavior. Migration and constant contact with the outside world have changed the mind set of the society. In the new situation, consumption of things which bear a demonstrative and luxurious appeal earned acceptance in the society.

The following section looks into the extent of positive association between emigration and consumerism in the light of sample data.

IV. Emigration & Consumerism: The Case Of Malappuram

From the observation, it could be perceived that Malabar is the most consumerist region of the state. Migration studies came out with clear evidence of the highest concentration of emigrant population in Malabar region. Four districts of this region, namely, Malappuram, Kannur, Kozhikkode and Palakkad constitute about 44 percent of the state's emigrant population (Zacariah & Rajan, 2012).

It is found that Malappuram district is one of the largest contributors of the emigrant population to the state and is standing ahead among the districts as the second largest recipient of the remittances. Even now Malappuram district is sending out the largest number of emigrants. The remittances that the district earns come to about 46 percent of the district domestic income (Pushpangadan, 2003). Though the impacts of factors like migration, contacts with the outside world, emulation, etc, are distributed throughout the state, their influence is felt to be more explicit in the Malabar region in general and Malappuram district in particular. Considering the facts in their entirety, an attempt is made to examine the problem based on the data collected from this district.

The three areas so selected for collecting primary data are one each from two municipalities (Manjeri and Perinthalmanna) and one from Vengara panchayat.

In the sample we found that the households with at least one emigrant in the sample area are 32 percent. Of this, 31 percent have more than one emigrant. The influence of emigration is clearly reflected in the purchase of durables and spending habits of the locality. For a deeper understanding of the influence, two multiple linear regression models have been tried with the relevant data: one to examine the influence on consumption expenditure as such and another to examine the influence on the expenditure on non-food total. The models framed are:

$$E_c = a_0 + a_1 Y + a_2 M + u \quad \& \quad E_{NF} = a_0 + a_1 Y + a_2 M + u$$

Where, E_c = total expenditure on consumption; E_{NF} = expenditure on non-food items, Y = income of the family; M = emigrational status of the family; where 1 for migrant & 0 for non-migrants; and a_i = coefficients². The models give the following results (Table 1).

TABLE 1: Regression results

Model - I			Model – II		
$E_c = \downarrow$	Coefficients	Adj R ²	$E_{NF} = \downarrow$	Coefficients	Adj R ²
Constant	10211 (20.06)	.741	Constant	6899 (15.07)	.729
Income	0.326 (23.94)		Income	0.282 (23.00)	
Migration	3085 (6.81)		Migration	2896 (7.11)	

Note: * = coefficients are significant at 1 percent level; Figures in parentheses are corresponding t-values

Models explain 74 and 73 percentages respectively of variations in the dependent variables. Both the models have strong autonomous consumption elements i.e., Rs 10211 & Rs 6899 respectively. This denotes that a level of consumption expenditure exists irrespective of the determinants we considered. This is plausible and could be explained in terms of biological necessity. Among the explanatory variables, income (Y) is the most influential with the coefficients 0.326 and 0.282 respectively. This shows that one unit change in Y , holding other variables constant, can bring about 0.326 unit change in consumption expenditure & 0.282 unit changes in consumption expenditure on non-food total. The coefficient 3085 of the dummy variable M (emigration) in the first model denotes that a change in the category of families from non-emigrants to emigrants brings about a change of rupees 3085 in consumption expenditure. This implies that monthly consumption expenditure among emigrant households is higher than that of non-emigrants by an amount of rupees 3085. Thus the model clearly depicts the dominance emigration as a determinant of consumption expenditure, a general tendency that prevails in the state. Similarly, the coefficient of dummy variable M in the second model also is a big positive number (2896) showing that emigrants as a category differ from non-emigrants in the case of consumption expenditure on non-food total by a margin of rupees 2896. The foregone regression analysis has substantiated a strong positive relation between emigration and consumption expenditure in the study area.

The autonomous element in the model is indicative of a level of consumption irrespective of determinants we have considered. The existence as well as the magnitude of this positive constant itself is indicative of the strong consumerist tendencies that prevail in the state. From the observation, it could be concluded that emigration exert its strong influence in shaping and nurturing consumerism in the study area. Comparing the two models, we could observe that the autonomous element as well as the income coefficient is stronger in the first model.

Apart from the regression exercises, we also looked at the consumption pattern with respect to housing, vehicles and durables. The facts revealed by our survey provided ample evidence for the existence of outdoing as also the emulative behaviour in the housing sector of Kerala. The sizes as well as the styles of houses were totally detached from any rational basis. The very culture of housing structure has thoroughly changed and, single-storied buildings extensively gave way to multi-storied buildings. Increasing the number of rooms, with enough space has become a fashion of the day. About 91.4 percent of the houses we surveyed have more than 7 rooms.

Barring the houses, the major source of emulation and of spending extravaganza was found in vehicles. As disclosed by our survey, 97 percent of the 232 households have at least one vehicle of their own (see Table 2). Among them, 112 households (49.56%) have at least two vehicles; whereas, the households with more than two vehicles were 33 (14.6%) in number. The survey revealed that 76.72 percent of the respondents (178) possess cars of their own. Among them, 18.54 percent (33) have more than one car. As the cars possessed were meant

² Among the explanatory variables, emigrational status is employed as dummy variable

mainly for private purpose, the investments in this sector must be deemed unproductive. The number of households who were using their vehicles for income earning purpose was nominal.

TABLE 2: Distribution of households based on number of vehicles / cars possessed

Number of vehicles	Number of households	Percentage		Number of cars	Number of households	Percentage
1	114	50.44		0	54	23.28
2	79	34.96		1	145	62.5
3	21	9.29		2	31	13.36
4	8	3.54		3	2	0.86
5	3	1.33		Total	232	100
6	1	0.44				
Total	226	100				

Source: Primary survey

It is surprising to find that the share of households in the area who installed air conditioners in their houses was 41.8 percent. The observation on the attitude of respondents towards this equipment was rather surprising. While 76 percent of the 97 households who installed A/C in their houses responded that air conditioner was a luxury, only two percent considered it a necessity in their locality. The remaining, 10.31 percent treated it as a comfort. The observation on the operational status of this equipment was also interesting. Eighty five percent of the A/C installed respondents answered that their air conditioners are operated either rarely or occasionally. Hence we may infer that in this region, emigration has far reaching effect on consumption of durables tending to suggest a phenomenon of consumerism.

V. Concluding Remarks

The present study looked into the impact that emigration has exerted in nurturing and shaping consumerism in Malappuram, a district in the Malabar region of Kerala. The findings on the consumption practices, stock of durables and purchasing behaviour of respondents are indicative of consumerist behaviour in this region. The regression analysis has substantiated a strong positive relation between emigration and consumption expenditure in the study area. The study arrives at the conclusion that emigration through its multitude of actions has brought about changes in the consumption culture leading to consumerism.

Emigration offered massive employment opportunities and a better source of income for the people at certain times. But, the situation is not so favourable at present. The policy of Nithakkath offers a threat to the 'aspirant' labourers in general and those unskilled in particular. The situation raises certain serious questions to be addressed with proper frame. Whether consumerism is a sustainable practice in the state? What are the serious damages that consumerism may bring about on the economic and social life of Keralites as well as on environment? What shall be the focus of policy measures to manage the practice?

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