

CONTENTS

Title	Page No
CHAPTER - 1	15
OVERVIEW	15
1.1.1 Introduction	15
1.1.2 The Need and objective of this research and book	16
1.2 Background of Remittances and Forex Reserves	17
1.2.1 Review of Foreign Exchange Reserve	17
1.2.2 Sources of Forex: Analysis	17
1.2.3 Exchange Rate: US\$ Verses INR	18
1.2.4 Remittances and Capital Flows to Developing Countries	19
1.2.5 NRI Remittances	20
1.2.6 GCC- Overview	21
 CHAPTER - 2	 25
UNDERSTANDING REMITTANCES AND INDIAN ECONOMY	25
2.1 Introduction	25
2.2 Why people migrate?	25
2.3 Why Indians migrated to GCC countries	26
2.4 Understanding Remittance Behavior and Challenges:	27
2.4.1 Remittance rational: When and Why Do Migrants Remit?	27
2.4.2 Mechanism: How remittances are sent home?	28
2.4.3 Purpose: How Remittances are Used?	28
2.5 Challenges in defining remittance behavior	29
2.6 Indian Economy and Remittances: An overview	30
2.6.1 Indian economy and post liberation scenario (Post 1991).	31
2.6.2 Capital Account Flows: External Debt Components	36
2.7 Foreign Exchange Reserve: Components and Review	39
2.7.1 Impact of Remittances on Foreign Exchange Reserve of India	40
 CHAPTER -3	 41
MIGRATION AND REMITTANCES - GLOBAL SCENARIO	41
3.1 Introduction	41
3.1.1 Overview of Global Migration and Remittance Patterns	41
3.1.1.1 Global Migration Pattern	41
3.1.1.2 Global Remittances Pattern	41
3.2 NRI and PIO – Migration Pattern	43

Title	Page No
3.2.1 Non-Resident Indian Nationals (NRI): Definition	43
3.2.2 Person of Indian Origin (PIO): Definition	44
3.3 Migration of NRIs: Background	45
3.4 Remittances for development: Economic Analysis	46
3.4.1 Positive Impact of Remittances:	47
3.4.2 Negative Impact of remittances: Potential Drawbacks	47
3.5 Remittances: Difficulties in compiling data and analysis	48
3.5.1 Remittance Transfer	48
3.5.2 Mechanism of Remittance Transfer	48
3.5.3 Official and Unofficial Remittances the across world	50
3.6 Migrant workers and remittances –United States of America	52
3.6.1 Savings potential & remittance Pattern: North & South America	53
3.6.2 NRI remittances from US to India	54
3.7 Migration and Remittances – U.K.	54
3.7.1 United Kingdom	55
3.7.2 Remittances to Developing Countries from the UK	56
3.7.3 Cost of sending money transfers from UK	56
3.7.4 Outlets/convenience of sending remittances from UK	57
CHAPTER -4	59
Estimates and Analysis of GCC Remittances	59
4.1 Introduction	59
4.2 Basis for estimation of remittances	59
4.2.1 NRI Population	59
4.2.2 Earnings and Savings of the NRIs	60
4.2.3 Amount of Remittances of NRIs	60
4.2.4 Transfer of money through formal and informal channel	60
4.3 Constraints on obtaining and validation of base data	60
4.3.1 The country population	60
4.3.2 The population of expatriates	60
4.3.3 NRI Population	60
4.3.4 Working NRI Population	61
4.3.5 Earnings of NRI working population	62
4.3.6 Savings of NRI population	62
4.3.7 Remittances of NRI population	62
4.3.8 Share of formal and informal channels in transfer of money	63
4.3.9 Social Issues of NRIs in the GCC	63
4.4 GCC: (Gulf Co operation Council)	64
4.4.1 Goals of the GCC	64
4.4.2 Economy of GCC	65

Title	Page No
Countrywise Estimation of NRI Remittances from GCC	66
4.5 United Arab Emirates: (UAE)	66
4.5.1 Introduction to UAE	66
4.5.2 Policy and Economy of UAE	66
4.5.3 Estimates of NRI Population and Remittances from UAE	69
4.5.4 The UAE National Population:	70
4.5.5 The Expatriate Population:	70
4.5.6 UAE- NRI Population:	71
4.5.7 UAE-Working NRI Population	71
4.5.8 Assumptions for calculating NRI Population:	72
4.5.9 Salary and Savings Estimates - UAE	72
4.5.10 Expenditure & Savings Pattern of UAE NRIs.	72
4.5.11 Savings of UAE NRI	72
4.5.12 NRI Remittances – UAE	76
4.5.13 Analysis: Remittance of NRIs in the UAE- 2006	77
4.5.14 Estimates of Remittances from UAE- From 1991 to 2011	78
4.5.15 Channel of Money Transfer	78
4.6 Kingdom of Bahrain	80
4.6.1 Introduction to Bahrain	81
4.6.2 Policy and Economy of Bahrain	81
4.6.3 Estimates- Population & Remittances- Bahrain	83
4.6.4 Expatriate Population- in Bahrain	83
4.6.5 Bahrain NRI Population	84
4.6.6 Earnings & Savings Estimates- NRI in Bahrain	84
4.6.7 Estimates of Remittances from NRI in Bahrain	85
4.6.8 Channel of Remittance Transfer- Bahrain	85
4.7 Kingdom of Saudi Arabia (KSA):	86
4.7.1 Introduction to KSA	86
4.7.2 Policy and Economy of KSA	89
4.7.3 KSA Population Estimates	89
4.7.4 NRI Population in KSA	89
4.7.5 Earnings and Savings of NRIs in KSA	90
4.7.6 NRI Savings and Remittances - KSA	91
4.7.7 Estimates of NRI Remittances from KSA	91
4.7.8 Channel of Money Transfer from KSA	91
4.8 Sultanate of Oman	92
4.8.1 Introduction to Oman	93
4.8.2 Policy and Economy of Oman	93
4.8.3 Estimates of Population and Income- Oman	96
4.8.4 Estimates of NRI Population and Income	98
4.8.5 Estimates of NRI Remittances from Oman	99

Title	Page No
4.8.6 Channel of remittances for NRIs in Oman	100
4.9 The State of Qatar	101
4.9.1 Introduction to Qatar	101
4.9.2 Policy and Economy of Qatar	101
4.9.3 Population of Qatar	103
4.9.4. NRI Population in Qatar	104
4.9.5. Savings and NRI Remittances From Qatar	105
4.9.6. Channel of Remittance Transfer- Qatar	106
4.10 The State of Kuwait	107
4.10.1 Introduction to Kuwait	107
4.10.2 Policy and Economy of Kuwait	108
4.10.3 Population of Kuwait	108
4.10.4 NRI Income and Savings- Kuwait	110
4.10.5 Channel of remittance –Kuwait	111
4.11 Analysis of GCC NRI earnings, expenditure, savings and remittances	112
4.11.1 Expenditure and beneficiary industries	112
4.11.2 Earnings, Savings & Remittances- Analysis	115
4.11.3 Observations on GCC NRI Earnings:	115
4.11.4 Observations on GCC NRI Savings:	116
4.11.5 Observations on GCC NRI Remittances	116
4.11.6 Remittances: Country-wise observations	117
4.11.7 Comparison of estimates of GCC NRI remittances with Global NRI remittances of world bank.	118
CHAPTER – 5	121
GCC-NRI remittances – Benefits and Problems	121
5.1 Introduction	121
5.2 Beneficiaries of Individual remittances	121
5.2.1 Primary Beneficiaries:	121
5.2.2 Secondary Beneficiaries:	124
5.3 Pattern of Expenditure made in India based on Remittances	125
5.3.1 Analysis of Expenditure by Income Group:	126
5.3.2 Analysis of Expenditure by Sector:	127
5.4 Remittances: Regional Spread and its impact on the economy	129
5.5 Nature of Remittances: Individual and Collective	132
5.5.1 Analysis of Community OR Collective Remittances	133
5.6 NRI Remittances and FDI Inflows: Comparison	136
5.6.1 Characteristics of FDI	138
5.6.2 Initiatives of Government of India	138
5.6.3 FDI Inflows- 1991 Onwards	139

Title	Page No
CHAPTER - 6	143
Going Forward: Conclusion and Recommendations	143
6.1 Conclusion	143
6.2 Recommendations	144
6.2.1 Individual NRI remittances	144
6.2.2 Collective NRI remittances	145
References and Bibliography	147

