

Return Migration and Its Economic Impact on Kerala: Trends, Drivers and Post- Covid Policy Implications

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ABSTRACT

Migration is a dynamic global phenomenon shaped by economic, social, and political factors, with profound impacts on both origin and destination countries. Kerala, known for its high rate of out-migration, particularly to Gulf countries, has witnessed a notable rise in return migration in recent years, accelerated by the Covid- 19 pandemic and related disruptions. This study aims to examine the trends and patterns of return migration in Kerala and to analyze its impact on the Kerala economy in the post-pandemic context. The research relies exclusively on secondary data sourced from the Kerala Migration Survey (KMS) 2023 and earlier rounds, report from the Department of Non-Resident Keralites Affairs (NORKA), and publications by international organizations such as the ILO, World Bank, and IOM. The findings indicate that the Covid-19 crisis significantly accelerated return migration, with job loss and visa expiry as the primary drivers. Returnees have contributed financial capital, skills, and international exposure to the local economy, offering both opportunities and challenges for reintegration. However, the state faces structural constraints in effectively absorbing these returnees into the workforce. While the study highlights key patterns and economic impacts, it is limited by its reliance on secondary data, which may not fully capture recent developments or the socio-psychological dimensions of return migration. Overall, the analysis underscores the need for targeted policies to harness the developmental potential of return migration in Kerala.

Keywords: Return migration, Kerala Economy, Covid-19 pandemic, NORKA, Remittance, Reintegration, Gulf-Migration

INTRODUCTION

Migration is a global phenomenon that is increasing in size, scope, complexity, and impacts. It is both a cause and a consequence of broader development process and can be considered a positive force for development. Today, there are an estimated 281 million migrant workers around the world, accounting for 3.6% of the global population. Globalization, demographic shifts, conflicts, income inequalities and climate change are encouraging more workers and their families to cross borders in search of employment and security. These migrant workers have become a source of income, contributing to growth and development in their home countries. Migration refers to the movement of people from one place to another, with the intentions of settling permanently or temporarily in a new location or geographic region. Migration is often associated with improved human capital at both the individual and household levels, as well as better access to migration networks that can facilitate subsequent moves. People may migrate as individuals, in family units, or in large groups. There are various ways to categorize international and internal migration, including; internal migration, external migration, forced migration, seasonal migration, return migration, rural-urban migration, and counter-urbanization. Migrants can also be broadly categorized into two groups; permanent and temporary. Permanent migrants intend to establish long term residence in a new country and may eventually seek citizenship. Temporary migrants, on the other hand, plan to stay only for a limited period- such as for the

duration of a study program, a work contract, or a specific work season. Both types of migrants have a significant impact on the economies and societies of the both their destination country of origin.

The reasons for migration vary and are broadly conceptualized into two categories, push and pull factors. Push factors are reasons that drive people to leave their place of origin conditions that “push” out of an area. These include poverty, lack of work opportunities, unemployment, under development, and poor economic condition. Pull factors, on the other hand, are reason that attracts people to a new area conditions that “pull” them toward a destination. These include employment opportunities, higher income, better working condition, and improved facilities.

Return migration is defined as the movement of migrants back to their place of origin, driven by factors such as family reunification, better job opportunities, retirement, health issues, or a desire to spend their final years in their homeland. Historically, return migration has been considering the final stage of the migration cycle. It can have significant impact on both the migrants and the countries involved. For migrants, it may involve cultural re-adjustment, the re-establishment of social network, and potential economic opportunities. For countries of origin, return migration can bring back human capital, skills, and resources that contribute to development and economic growth. However, the processes of return is not always smooth. Migrants may face challenges in reintegrating into their home societies, such as finding suitable employment, adapting to changes in the local environment, or dealing with stigma associated with their migration experience. The decision to return is often shaped by a complex interplay of individual circumstances and broader economic, social, and political factors. There are three main types of return migrations, such as, Voluntary return migration, Forced return migration, Seasonal return migration, and Circular migration. Return migration is influenced by a wide range of factors, including economic, social and cultural ties, political stability, environmental conditions, and

While millions of migrants return to their home countries of origin each year, not all returns are formally recorded. In 2020, the Covid-19 pandemic posed considerable challenges to return migration due to lockdowns, travel restrictions, limited consular services, and other containment measures. These disruptions significantly slowed down return activities. In 2021, as many countries lifted travel restrictions, various form of migration, including return migration, resumed, although not to pre-pandemic levels. In 2022, return migration had reached pre-pandemic levels once again. The Covid-19 pandemic led to a significant wave of return migration, particularly among Indian migrant’s workers abroad, with half in Gulf countries. Kerala, known for high emigration, saw around 14.7 lakh migrant’s return by June 2021, mainly due to job loss and visa expiry. The Indian government launched the Vande Bharat Mission to help repatriate stranded migrants, bringing back over 55.9 lakh Indians by mid-2021. Most Keralites returnees came from the UAE, Saudi Arabia, Qatar, and Oman, with district like Malappuram, Thiruvananthapuram, and Ernakulum accounting for the largest shares. While return migration supports economic growth through remittances and skills, it also brings challenges in reintegration, especially during crises like Covid-19, highlighting the need for better migration governance and support systems.

Objectives of the Study

To examine the trend and patterns of return migration in Kerala.

To study the impact of return migration in Kerala economy after Covid-19.

METHODOLOGY OF THE STUDY

This study is completely based on secondary data which has been collected from Kerala Migration Survey (KMS) 2023 and previous rounds, conducted by the Center for Development Studies (CDS), Thiruvananthapuram, and Government of Kerala Economic Review state planning Board, 2022-22, Reports from NORKA and ILO, for return migration support programs and policy context, and Ministry of External Affairs (GoI), for migration-related updates, particularly the Vande Bharat Mission.

REVIEW OF LITERATURE

Prakash B A (2000) did a study with an objective of examining the causes of the departure of emigrants, profile of emigrants who returned and the economic status of return emigrants. The study was done on a sample survey of 80 return emigrants in Varkala town and which presented in three sections. The first section shows the trends in emigration and return emigration, the second section deals with the findings and in the last section conclusions and policy suggestions are included. The survey findings suggest that the returnees present employment is in terms of 51 percent were unemployed 36 percent are casually employed and 13 percent are self-employed ones. For getting reviews on macro-economic changes due to the exodus of emigrants, information was searched from travel agents, banks, real estate agents and returnees association's merchants associations and leading traders in Varkala town. The fall in trade resulted to the decline in the purchasing power of the people due to the return of large number of emigrants. Overall return of migrants had made an impact in Varkala town very badly.

Zachariah et al., (2001) developed a study of in return emigrants regarding their occupational mobility, utilization of their human and material resources in Kerala's development and their rehabilitation. It features their demographic, social and economic characteristics before and after emigration including the financial costs of and benefits from emigration and the problems faced by them in the Gulf countries and in Kerala after return. A few suggestions for their rehabilitation and their possible role in the development of state are also included in conclusion part. Findings show that Muslims wants to get assistance from Government mostly in their re-integration and the single important reason behind why the return emigrants were not able to rehabilitate themselves was the lack of ability to identify a profile-making self-employment project.

Rajan, S. I. (2020) discussed the significance of large-scale migration surveys in understanding the effect of Covid-19 viruses on the humanity. Using Kerala as a case study, it emphasized the role of KMS in providing data on emigrants stock, return emigrants, migration cost and remittance usage since 1998. The research illustrates how the Kerala Government adeptly utilized this data to control the spread of the pandemic and address its socio-economic impact on individuals, communities and society. The data also helped in formulating policies and program and preparing for the integration and rehabilitation of return migrants, ensuring wellbeing with respect to the pandemic.

A return emigrant survey was conducted in **2021 by Irudaya Rajan and Balasubrahmanyam Pattath.** The survey dealt with a study of different types of return emigrants of Kerala, their job and period of stay in the host country, emigration expenses expanded and about the final return, process of return, wage theft experienced by them, remittances sent by them and their future plan.

Data Analysis and Interpretation

Return migration refers to the process by which migrants return to their place of origin or country of citizenship after spending a period of time living and working abroad or in another region. Return migration became a prominent issue during and after the Covid-19 pandemic, as thousands of Non-Resident Keralites (NRKs) returned due to job losses, lockdowns, and health concerns. The study examines the data related to return migration in Kerala following the Covid-19 pandemic, which is essential for understanding its economic and social impacts. It presents and analyzes statistical data gathered from various sources, including the Kerala migration survey and academic studies, to identify key trends and patterns. The study is based on two objectives, first, to examine the trend and patterns of return migration in Kerala and second to study the effect of return migration in Kerala economy after Covid-19. The data is presented clearly and concisely using tables and graphs. Through a detailed exploration of variables such as the number of returnees, change in remittance inflow, employment status, and socio-economic conditions, this analysis aims to provide evidence-based insights into how return migration has reshaped Kerala's labor market, household income structures, and policy priorities.

Table 1: Trends in Return Migration, 1998-2023

Year	Estimates	Increase	Percent Increase
1998	739245	--	--
2003	893942	154697	20.9
2008	1157127	263185	29.4
2013	1252471	95344	8.2
2018	1294796	42325	3.4
2023	1790758	495962	38.3

Source: Kerala Migration Survey, 2023

The trends in return migration over the years are depicted in the table. The number of return migration has shown a steady year-on-year increase from 1998 to 2023. The number rose by 20.9 percent in 2003 and 29.4 percent in 2008, followed by a decline in the rate of increase in 2013 and 2018. However, the largest increase in return migration was observed between 2018 and 2023, with an increase of 495,962 individuals, representing a 38.3 percent rise-the highest ever recorded in the history of Kerala Migration Survey. This sharp increase can be attributed to the Covid-19 pandemic, during which many individuals lost their jobs and were forced to be return to Kerala.

Table 2: Return Emigrants by Districts, 1998-2023

Districts	1998	2003	2008	2013	2018	2023
Thiruvananthapuram	118878	103059	215280	218945	93662	185695
Kollam	74106	69314	124066	127978	165504	158481
Pathanamthitta	54537	83502	60554	36285	54506	40921
Alappuzha	34572	43109	51024	70104	99929	99494
Kottayam	18164	28368	26448	33898	41775	74277
Idukki	5017	3766	3213	3242	6137	13472
Ernakulum	45028	74435	68860	69545	23929	151849
Trissur	116788	86029	174655	103803	94279	239439
Palakkad	39238	55008	85318	12383	57664	92689
Malappuram	123750	141537	219736	299857	309881	351176
Kozhikode	60910	109101	72405	107491	151417	210288
Wayanad	3327	3852	1930	12581	12046	16509
Kannur	28263	45394	26416	109145	94457	106408

Kasaragod	16667	47468	27222	47212	89610	50062
KERALA	739245	893942	1157127	1252471	1294796	1790758

Source: Kerala Migration Survey, 2023

Table 2 provides data on the number of return emigrants across various districts of Kerala from 1998 to 2023. The overall trend indicates a steady increase in return migration, rising from 739,245 in 1998 to 1,790,758 in 2023. Districts such as Thiruvananthapuram, Ernakulum, and Malappuram have shown consistent growth in the number of return migrants over the years. In 2023, the number of return migrants has increased in all districts compared to 2018; except Kollam, Alappuzha, Pathanamthitta and Kasargode.

Trissur district experienced a significant increase in return migrants from 2008 to 2013, followed by a slight decrease in 2018, and then a substantial rise by 2023. Similarly, Ernakulum saw a declining trend in return migrants from 2003, but recorded a substantial increase by 2023. However, Kasaragod district witnessed a notable increase in return migrants from 2003 to 2008, followed by a decline in 2013, with further decrease in 2018 and 2023.

Table 3: Return migrants, by year of return

Year	Percent
Before 1980	0.2
1981-1989	1.8
1990-1999	7.2
2000-2004	5.2
2005-2009	9.1
2010-2014	18.1
2015-2019	30.9
2020-2023	27.5
Total	100

Source: Kerala Migration Survey, 2023

Table 3 provides an overview of the year of return, spanning from before 1980 to 2023. The frequency of return migrants varies across the years. From before 1980 to 2010, the trend of return was moderate. However, in 2019 and the years following the Covid-19 pandemic, the frequency shows a significant increase.

Table 4: Return migration rate by sex, 2023

Sex	Percentage
Male	88.5
Female	11.5
Total	100.0

Source: Kerala Migration Survey, 2023

Table 4 highlights the distribution of return emigrant's by gender, showing that males constituted a significantly larger proportion compared to females, with 88.5 percent for males and 11.5 percent for females. This indicates the prevailing gender norms among return emigrants in the context of Kerala, where migration continues to be more accessible to men.

This significant difference reflects the broader migration profile of Kerala, where international labor migration particularly to gulf countries, is historically dominated by men employed mainly in sectors such as construction, transport, and low-skilled services. In contrast, women migrants from Kerala constitute a relatively smaller share, often working in domestic work, nursing, and healthcare sectors, which were less severely disrupted or offered more job security during the pandemic.

Table 5: Reason for Return, 2023

Reason for Return	Percent
To retire	12.1
Home sickness	10.2
To care for elderly	7.9
To care for children	9.8
Accomplished goals for migration	4.4
Prefer to working in Kerala	16.1
Lost job/Laid off	18.4
Illness/Accident	11.2
Expiry of contracts	5.3
Due to Covid-19	6.4
Compulsory expatriation	0.7
Low wages	13.8
Poor working conditions	7.5
Nationalization issue	0.9
Visiting visa expired	2.8
Cancellation of employment visa	2.8
Political instability/Economic instability/War	0.8
To migrate to another destination or same destination for different job	1.1
Others (Specify)	5.4
Total	100

Source: Kerala Migration Survey, 2023

The table shows that people from Kerala returned home for many different reasons after Covid-19. The most common reason was losing their job or being laid off (18.4 percent), which happened mainly because of the pandemics impacts on business abroad. Many returnees (16.1 percent) said they preferred to work in Kerala, showing that some wanted to stay closer to family or saw new opportunities at home. Others came back because of low wages (13.8 percent) or health issues and accidents (11.2 percent). A smaller number returned due to poor working conditions (7.5 percent), contract expiry (5.3 percent), or because they felt they had achieved their migration goals (4.4 percent). Only 6.4 percent were of the opinion that Covid-19 itself was the direct reason for their return.

Overall the table shows that return migration was caused by a mix of job loss, low wages, family needs, health issues, and the pandemics impact. This means support programs in Kerala should consider all these different reasons to help returnees reintegrate better.

Table 6: Economic impacts of Pre- Covid and Post- Covid Pandemic

Indicator	Pre-Covid-19	Post-Covid-19
Total remittances to Kerala (INR crore)	85,000 (2018)	72,000 (2023)
Share of households receiving remittances	38 percent (2018)	26 percent (2023)
Unemployment rate (Kerala)	9 percent (2018)	12.5 percent (2023)
Average monthly household income (with returnees)	Increased post-return in some families	Decrease in household-level remittance dependency, slight diversification into local income sources.

KMS 2018&2023, and Economic Review 2022-23

The analysis employs descriptive trend analysis based on Kerala Migration Survey (KMS) tables, comparing pre-Covid-19 (2018) and post-Covid-19 (2023) indicators to identify changes in remittances, household receipt rates, and related economic effects.

Table 6 presents the economic impacts of the pre-covid-19 and post-covid-19 periods. The total remittances to Kerala declined from 85,000 crores in 2018 to 72,000 crores in 2023, reflecting the pandemic's significant effect on the state's large migrant population, particularly those employed in Gulf countries. The share of households receiving remittances fell from 38 percent to 26 percent over the same periods. This indicates not only a reduction in overall remittances inflows but also a contraction in the proportion of households benefiting directly. These shifts highlight the vulnerability of remittance-dependent households during global economic disruptions.

Kerala's unemployment rate increased notably from 9 percent in 2018 to 12.5 percent in 2023. The rise can be attributed partly to the influx of return migrants re-entering the local labor market, combined with broader economic disruptions that limited job creation. This points to structural challenges in absorbing returnees into productive employment within the state.

In families with returnees, there was an increase in average monthly household income due to the initial capital, skills, or business ventures brought back by return migrants. Simultaneously, there was a decrease in household-level remittance dependency, reflecting a shift towards more diversified local income sources, such

as small businesses, self-employment, or local jobs. This diversification, though modest, highlights the potential developmental benefits of return migration if adequately supported by policy interventions.

There are sectoral impacts in the form of returnees invested savings in small business, retail shops, construction, and transport (auto/taxi services). Increase in demand for skill development and re-integration support programmes (NORKA, Kudumbashree). Skill and human capital impacts are like many return migrants brought back skills in construction, hospitality, IT, and mechanical trades. Some started small enterprises- contributed to local economic activity. Overall, while return migration after Covid-19 lowered remittance inflows and increased unemployment, it also led to new entrepreneurial activities, skills transfer, and human capital gains that could contribute to Kerala's economic resilience and long-term development.

CONCLUSION

Migration is an ongoing social-global phenomenon. People move to other region for various reasons, often driven by the need for their survival and better opportunities. Many emigrants from Kerala moved to the Gulf countries with hopes of a better, and more peaceful life. Initially, migration brought positive changes- steady employment, regular income, and improved living conditions. However, over time, unexpected developments in the Gulf altered this trajectory. Factors such as nationalization policies, fluctuating oil prices, economic slowdowns, and the sudden blow of the Covid-19 pandemic forced many to return home to Kerala. Although some returnees came back with improved housing or durable assets, these alone do not guarantee a secure or steady livelihood. Possessing such assets doesn't necessarily equate to financial stability. In fact, many returnees now face difficulties finding employment or remain jobless, resulting in a fragile and uncertain socio-economic situation.

In short, many returnees are struggling with the challenges of rehabilitation. While they wish to live peacefully with their families in Kerala, the circumstances often don't support these aspirations. A significant number of returnees feel dissatisfied with their return and express a strong desire to re-migrate to the Gulf. Although Kerala provide a wealth of educational opportunities for children, it continues to fall short in offering sufficient employment opportunities. As a result, many are compelled to seek work elsewhere, continuing to contribute to the state's economy through remittances. After spending many years working abroad, returnees deserve a comfortable and dignified retirement in their homeland. This reflects the current reality in Kerala. There is an urgent need to reform the core structure of migration governance in the state. Both the central and state Governments must recognize that reintegration is a shared responsibility. They should collaborate to implement supportive programs, enhance data sharing, and share the financial burden of reintegration initiatives.

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