



ECONOMIC WELL-BEING OF NON RESIDENT INDIANS

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Abstract:

There are huge number of people residing out of India for earning more and lead a well-sophisticated life for their family, such people are called NRIs. In terms of finance the Non-Resident contribution was enormous in number and also they are being the main source of increasing Foreign Exchange reserve in India. But on the other hand, their life style was different and also met with many challenges to live in. In this study, has analyzed the NRIs' Economic well-being. The main purpose was to assess employment details, financial stability, earning capacity and spending behaviour of NRIs. A total of 105 samples have been collected from NRIs residing various countries through snowball random sampling method. The collected samples were analyzed by using simple percentage and chi-square. The results showed that, majority of NRIs are permanent Employees working in IT field of eight hours of work. They are recruited by means of interview method. They have permanent visa and have more than five years of experience in current position and organization. They are most satisfied with their salary and they visit home country whenever need arise. Their spending behaviour has significantly associated with Income and Cost of living in host country.

Key Words: Contribution, Perception, Economic Well-Being, Spending Behavior

Introduction:

There are 272 Million International migrants in the world and Indians make up 6.4% of the world's total immigrant or expat population, as per the United Nations Data. According to the Income Tax Act of 1961, an Indian citizen settled in a foreign country for employment who is not physically present in the country for more than 240 days in a financial year is regarded as a Non-Resident Indian (NRI).

NRI (Non-Resident Indians) contributes to the Indian economy significantly large in number. It aids the Indian economy at a large-scale specifically generating employment internally by strengthening national savings, capital accumulation, investment, and so on. On the small-scale, the remittance received by the family members is used to meet their basic needs, and open up opportunities for investing in education, health care, and so on. The huge Indian diaspora is responsible for a significant amount of money inflows to the country. Such money inflows are called remittances, which is the money sent by migrant workers back to their home country. Every dollar transferred to India adds to the country's foreign exchange pool. Remittances to India are also one of the significant contributors to the foreign exchange reserve and makeup nearly 25 percent of total foreign exchange reserves in the country. There was a 50 to 80 percent growth in remittance inflows from several nations including the United States, Canada, UK, and the Gulf countries.

Economic well-being refers to financial background of every individual's life encompassing their financial security, wealth, employment opportunities and overall living condition. It plays a predominant role in deciding overall well-being and quality of life and it directly influences an individual ability to meet basic needs, future opportunities and achieving their personal goals in life. The economic well-being of Non-Resident Indians (NRIs) stands as a significant and evolving area of study within the broader landscape of global migration and economic development. NRIs, individuals who have chosen to live and work in foreign countries, often experience unique economic dynamics influenced by their dual connection to both their host country and their country of origin.

In recent years, the advent of digital technology and easier cross-border financial transactions has further transformed the landscape of NRI economic interactions. The way NRIs manage their finances, invest, and contribute to the economies of both their host and home countries has evolved significantly. Exploring the economic well-being of NRIs provides insights into the broader impact of global migration on economic systems and sheds light on how individuals navigate the complexities of financial decisions in a transnational context. By delving into this subject, we can gain a deeper understanding of the factors that contribute to the financial stability and prosperity of NRIs, and in turn, identify strategies to enhance their economic well-being and facilitate meaningful economic engagement between countries.

Review of Literature:

Richard H Adams J (2008), made an attend to identify the Determinants of international remittances in developing countries: In this study addresses factors influencing for remittance by using new data on such

variables as the skill composition of migrants, poverty, and interest and exchange rates to examine the determinants of remittances. It finds that the amount of remittances sent was influenced by factors such as their present income, the distance between migrant people and their family, and the economic conditions in both countries.

Anu Abraham (2019) Determinants of International Remittance: Evidence from Kerala, India, This study investigates the determinants of international remittance flow into the Kerala state. It explores the influence of socio-demographic and migration-specific characteristics of the migrant and the migrant-sending (remittance receiving) households on the amount of remittance transfers. Using data from the 2011 Kerala Migration Survey, employed Heckman selection correction model and Tobit model for the analysis. The results suggest that the migrant's individual characters have a strong influence in the remittance-sending behaviour while the characteristics of the remittance-receiving household have a weaker influence. The migration-specific characteristics the duration of migration, destination country and presence of dependents abroad significantly affect the amount of remittance sent.

Mahammand Tauseaa P and Dr. Niyaz Panakaje (2021) was undertaken a study on NRI's perception towards work environment in overseas. The main objective was to analyses the preference and perception of work environments in Gulf. There are 200 descriptive samples were collected. Simple percentage and one way ANOVA test has been used to analyses the data. The results showed that, there is need for technical education to get better salary in Gulf. Many of the NRIs perceive that providing better education to their children because of having job in Gulf. It has significantly associated with gender.

Statement of the Problem:

In General perspective, Non-Resident Indians plays an important role in shaping and developing the financial, social and economic conditions of the country. Non-Resident Indians have begun integrating into various activities in India over the last few years, including business growth such as outsourcing, technology transfer, tourism, and other contributions, especially in political and significant information flows. But the reality is the life style of Non-Resident Indian can vary depending upon the individuals and their life requirements. While seeking better economic prospects, NRIs often encounter challenges related to job security, income parity, and navigating foreign financial systems. Some Non-Resident Indians decide to live abroad permanently, while others split their time between their host country and the country of origin. Additionally, the remittance of funds to support families and investments in both their host and home countries adds layers of financial responsibilities. Exploring the intricacies of economic well-being among NRIs is essential for devising strategies that ensure financial stability, income and expenditure behaviours, and overall prosperity for this globally dispersed population. In this study have demonstrates the Economic well- being of NRI through their Income and expenditure behavior in host country.

Objectives of the Study:

- To measure the Employment profile of Non-Resident Indians
- To analyses Income and Expenditure Behavior

Methodology:

For the purpose of the study the snowball random sampling method was used to collect the data Microsoft forms. The employment profiles are in the first part, followed by income and expenditure pattern. A sample of 105 responses has been collected. The collected samples were interpreted using Simple percentage analysis, Chi-square.

Analysis and Interpretation:

Employment Profile:

To find out the employment details of Non-Resident Indians from collected sample simple percentage analysis has been applied.

Table 1: Employment Profile of NRI

S.No	Particulars	Numbers (N=105)	Percentage to Total (%)
1	Designation		
	Employer	27	25.71
	Employee	78	74.29*
2	Mode of Recruitment		
	Interview	68	64.76*
	Test only	03	02.86
	Test Followed by Interview	34	32.38
3	Occupation		
	Businessman	12	11.42
	Construction Field	03	02.86
	Industrial Worker	10	09.52
	Medical Field	09	08.57
	Academician	14	13.33

	IT field	57	54.29*
4	Nature of work		
	Contractual	29	27.62
	Permanent	76	72.38*
5	Visa Status		
	Work	45	42.86
	Permanent Resident	60	57.14*
6	Average working hours per day		
	8 hours	63	60.00*
	10 hours	28	26.67
	12 hours	03	02.86
	More than 12 hours	11	10.47
7	Overtime facility		
	Yes	47	44.76
	No	58	55.23*
8	Perception on Salary		
	High Satisfied	36	34.29
	Satisfied	64	60.95*
	Not satisfied	5	04.76
9	Experience in Current position		
	Within one year	09	08.57
	1-3 Year	07	06.67
	3-5 year	14	13.33
	More than Five year	75	71.43*
10	Experience in current organization		
	Within one year	25	23.81
	1-3 Year	16	15.24
	3-5 year	20	19.05
	More than Five year	44	41.90*
11	Frequency of visiting home country		
	Yearly once	44	41.90
	Occasionally	13	12.38
	Whenever need arise	48	45.71*

From the above Table 1, majority of the NRI people working as an employee's 74.29%. They are recruited by interview 64.76% method. Majority of 54.29% are in IT field and they are permanent 72.38% employees. Majority 57.14% has permanent resident visa. Majority of 60% having eight hours of working they are not having 55.23% overtime facility. Majority of Non-Resident Indians felt satisfied 60.95% with their salary. Majority of 71.43% experience in current position is more than five years and also 41.90% have more than five years in current organization. Most of the 45.71% are visiting their home country whenever need arise.

Income & Expenditure and Spending Behaviour:

In order to find the income, expenditure and spending behaviour of NRI the following table has been prepared. In this simple percentage and Chi-square analysis has been used to the significant level between income and expenditure and spending behavior.

The most burden expenses of Non-Resident Indian have been measured by giving score to answers the questions related to expenses. Twelve expenses have been include under the questions such as House rent, food/Hotel food, Clothing, Income Tax, Medical expenses, conveyance for work, entertainment & vacations, personal grooming expenses, mobile bills, grocery needs, education and travelling. The answer to the questions has been rated on five point Likert scale. The scores allotted to the answers of each questions ranges from one to five. Thus, the maximum score a respondent would get is 60. The scores obtained by each respondent called Spending Index. Based on the spending index ranging up to index arrived by deducting standard deviation (SD) from mean (\bar{x})(65.79-12.73) are termed as those with below 53.06 Low level of spending behavior, those 65.79+12.73 are termed as those with 78.52 and above have High level of spending behavior and those who are in between 53.06 to 78.52 medium level of spending behavior. The level of confidence chosen for Chi-square test is one percent and five percent.

Table 2: Income & Expenditure Behaviour

S.No	Particulars	(N=105)	Percentage (%)	D.F	Chi-Square Value	Significant / Not Significant
1	Income Per month Up to One Lakhs	09	08.57	6	15.01	Significant @ 5% Level

	One – Two Lakhs	30	28.57			
	Two-Three Lakhs	08	07.62			
	More than Three Lakhs	58	55.24			
2	Spending for Cost of Living					
	Up to 20%	10	09.52	6	25.01	Significant @ 1% Level
	20% to 40%	56	53.33			
	40% to 60%	14	13.33			
Above 60%	25	23.81				
3	Affordability of SOD					
	Managed with Earnings	53	50.48	6	8.03	Not Significant
	Sacrifice wants & Needs	19	18.09			
	Managed with Over Time work	17	16.19			
Not at all managed	16	15.24				
4	% of Remittance					
	40%	59	56.19	6	10.14	Not Significant
	50%	29	27.62			
	70%	10	09.52			
Above 70%	14	13.33				

From the Table 2, majority of Non-Resident Indian monthly earnings is more than three lakhs (55.24%). Their percentage of spending for cost of living is 20%-40% (53.33%). Majority of 50.48% people can able to afford their minimum standard of living with normal earnings. Majority of 56.19% have made 40% (56.19%) remittance to India.

The above table inferred that, the calculated Chi-Square value of income (15.01) per month and cost of living (25.01) are greater than the table value at five percent and one percent level. There exist an association between Level of Spending Behavior and income and cost of living. It means income and cost of living is significantly influenced by the Spending behavior.

Conclusion:

The NRIs contributed to the Indian economy for growth and development by way of foreign remittance and increasing foreign reserve. Their financial contributions are the key source for the upliftments of the Indian economy. The employment details of selected samples of designation, occupation, visa status, mode of recruitment, nature of work, overtime facilities, experience in current position as well as organization, frequency of visiting home country has been explained. Their income and expenditure behavior with respect to spending behavior has also been described. The spending behavior of NRIs presents a dynamic and multifaceted challenge influenced by a combination of cultural influences, financial obligations, lifestyle preferences, and socio-economic factors. While residing in their host countries, NRIs often navigate the complexities of managing expenses, investments, and remittances both abroad and in their home country. The interplay between their desire for financial stability, maintaining connections with their homeland, and adapting to the consumption patterns of their host culture shapes their spending habits. From this study, the spending behaviour was based on Income earned per month and cost of living in abroad. It was significantly associated with spending behavior of NRIs. The overall economic well-being of NRI was depending on their income stability and cost of living in abroad.

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