

Remittances and Household Consumption Patterns in Kerala: A Comparative Analysis Using Kerala Migration Surveys

Albert Alex, Dr. Saritha Raman

Loyola College, Chennai, Tamil Nadu, India

DOI: <https://doi.org/10.51583/IJLTEMAS.2026.150100073>

Received: 26 January 2026; Accepted: 31 January 2026; Published: 09 February 2026

ABSTRACT

Kerala's growth and development circuit has been uniquely shaped by the large amount of international migration and remittance influxes. This study analyses household consumption patterns in Kerala over two decades (2003–2023) using data from the Kerala Migration Surveys of 2003, 2008, 2013, 2018, and 2023. The research paper concentrates only on two objectives: examining how remittances amount that influence household consumption patterns and comparing the changes in expenditure preferences across varieties such as food, housing, education, health, and consumer durables. The findings show that remittance inflows increased more than elevenfold in absolute terms, while their share in Net State Domestic Product (NSDP) fluctuated, peaking in 2008 and partially recovering by 2023. Household spending patterns shifted from basic consumption toward housing, savings, investments, debt repayment, and consumer durables, reflecting a structural changeover in expenditure preferences. Pearson correlation analysis indicates a negative association; however, results should be interpreted cautiously due to the limited number of observations. Chi-Square and Symmetric Measures prove significant differences in expenditure patterns over time. The Kerala Migration directions also show a gradual diversification from GCC to Non-GCC Countries and a slowing increase of emigrants. The research underscores the evolving role of remittance amounts in boosting asset accumulation, financial stability, and human capital investment, the study provides useful insights into the relationship between remittances and household consumption. The findings are consistent with migration–development theories that highlight a transition from consumption smoothing to asset accumulation as remittance dependence matures.

Keywords: Remittances, Household Consumption, Kerala, Migration, Expenditure Patterns

INTRODUCTION

Kerala's economic growth and development are unique in India, shaped particularly by the large amount of international migration and the steady inflow of remittances. Since the oil boom of the 1970s, the Gulf Cooperation Council (GCC) nations have been the primary countries for the Malayali emigrants from the southern state of India, making an international economic passage that has changed the Kerala state economy, culture, and household consumption. Remittances have played a critical role in supporting Kerala's consumption-driven economy, frequently overtaking the state's revenues from agriculture, industry, and even domestic labor markets. According to successive rounds of the Kerala Migration Survey (KMS), remittance inflows have consistently contributed to poverty reduction, improved housing standards, and better access to education and healthcare in the state.

Over the period, nevertheless, Kerala's migration dynamics have experienced notable shifts. The total number of emigrants increased steadily from 1.4 million in 1998 to 2.4 million in 2013, before recording a decline to 2.1 million in 2018, mainly due to demographic shift, Gulf nationalization policies, and economic downturn. The situation was further compounded by the 2018 floods in Kerala and the global COVID-19 pandemic, which triggered large-scale return migration and economic disruption. The most recent Kerala Migration Survey (KMS) report, 2023, led by the Gulati Institute of Finance and Taxation (GIFT) with support from IIMAD, delivers

critical post-pandemic understandings: while prevailing emigration has stabilized, there has been a remarkable rise in student migration and a diversification toward non-GCC Countries.

While the macroeconomic significance of remittances amounts is well established, less attention has been given to how household-level consumption patterns have grown in reaction to these inflows. Earlier reports indicate that remittances were mainly directed toward essential needs such as food and housing. Current report, however, shows a gradual shift toward human capital investments in education and health, mainly as younger and more educated emigrants increasingly contribute to household remittances. Understanding this transition is crucial, as it reflects the broader developmental significance of migration for Kerala's economy and society.

On this background, this research paper undertakes a comparative analysis of household consumption patterns in Kerala over two decades, from 2003 to 2023, using data from five rounds of the Kerala Migration Survey (KMS) report 2003,2008,2013,2018, and 2023. Particularly, its objective is to study:

1. Examine how the remittance inflows have shaped household consumption in Kerala over time from 2003 to 2023. It should be noted that the Pearson correlation is based on five survey observations, which limits statistical power; therefore, the results are interpreted as indicative of long-term trends rather than definitive causal relationships.
2. Compare the changes in consumption pattern priorities across food, housing, education, health, and consumer durables.

By examining the long-term shift using the five KMS reports, this research paper contributes to the growing literature on migration and growth and development. It suggests new evidence on the evolving role of remittances in shaping household welfare and delivers insights for policymakers seeking to maximize the developmental effect of migration in Kerala.

From a theoretical perspective, remittances are often interpreted through the lens of the New Economics of Labour Migration (NELM), which views migration as a household strategy to diversify income and reduce risk. As remittance flows stabilize over time, households tend to shift expenditure from immediate consumption toward asset formation, savings, and human capital investments. This framework provides the analytical basis for examining changing consumption patterns in Kerala.

LITERATURE REVIEW

The association between the remittances amount and the household consumption pattern has been widely researched in migration and development publications. Earlier studies have consistently emphasized the poverty-reducing and consumption-enhancing effects of remittance inflows in developing countries such as India.

Adams and Page (2005), in their cross-country research paper on remittance amounts to households, saw strong evidence that remittances particularly reduce poverty and improve household consumption patterns. Their research shows that migration-driven income transfers serve as a crucial safety net for households, improving their ability to meet daily and basic needs and stabilizing household welfare. This research paper applied the basis for understanding remittances not only as private transfers but as tools of growth and development.

De and Ratha (2010), in the World Bank research concentrating on South Asia, noted that remittances are often directed toward *targeted expenditures*, mainly in child health and education. Unlike fungible income received, remittances are continually committed by households for typical developmental uses, thereby supporting their long-term effect. Regardless, he authors reported that remittances do not always translate into asset collection or effective investment, pointing out that the developmental prospect of remittances is contingent upon household consumption patterns and institutional support.

Dutta and Nupur (2023) analyzed the case of Indian rural families in this research paper, underscoring both the *objective* and *subjective* measurements of remittance household welfare. The authors argue that remittances not only improve basic living conditions but also enhance households' perceptions of economic stability and well-being. This supports the view that remittances play a multidimensional role in shaping family welfare beyond primary consumption wants.

Concurrently, these research papers show that while remittances globally contribute to household welfare, the spirit of their utilization grows depending on socio-economic conditions. In Kerala's, earlier survey report suggests remittances were predominantly directed toward meeting basic consumption wants such as food and housing. However, with rising education levels among migrants and diversification of countries, the recent KMS report 2023 points toward a gradual shift in preferences toward education, healthcare, and lifestyle-related consumption. This research paper builds on these insights by delivering a longitudinal analysis of Kerala's remittance-consumption pattern across two decades, from 2003 to 2023, from the Kerala Migration Survey (KMS) reports 2003,2008,2013,2018, and 2023, thereby filling a very important gap in the literature.

METHODOLOGY

Research Design

his study adopts a quantitative, secondary data-based approach to examine the relationship between remittance inflows and household consumption expenditure patterns in Kerala. over the last two decades, from the year 2003 to 2023, using the Kerala Migration Survey (KMS) reports 2003,2008,2013,2018, and 2023. This research paper is structured around two main objectives:

1. To analyze the relationship between remittance inflows and household consumption expenditure patterns in Kerala. Pearson correlation analysis is employed to examine the association between remittance inflows and household consumption expenditure patterns
2. To assess transitions in household expenditure patterns and the priorities of remittance amounts received by households across time.

Data Sources

- Secondary data were collected from the Government of Kerala economic reviews, RBI bulletins, and related official statistics for Kerala Migration Survey (KMS) reports of the years 2003, 2008, 2013, 2018, and 2023.
- From the dataset, I measure the aggregate of remittance inflows in crores rupees and household consumption expenditure, along with household-level expenditure allocation across five major categories:

(a) Household Consumption

(b) Housing & Land

(c) Savings & Investments

(d) Debt Repayment

(e) Consumer Durables & Vehicles

Variables

- Independent Variable (1st Objective): Remittance inflows in Crores of rupees
- Dependent Variable (1st Objective): Household consumption expenditure in Crores of rupees
- Categorical Variables (2nd Objective):

- i. Year: 2003, 2008, 2013, 2018, and 2023)
- ii. *Expenditure Category*: five categories, they are Household Consumption, Housing & Land, Savings & Investments, Debt Repayment, and Consumer Durables & Vehicles

ANALYTICAL FRAMEWORK

Objective 1: To analyze the relationship between remittance inflows and household consumption expenditure patterns in Kerala.

1. Preliminary Checks:

- a) Normality of variables tested utilizing Kolmogorov–Smirnov and Shapiro–Wilk tests.
- b) Linearity and potential outliers were examined via scatterplots.

Statistical Analysis:

- a) Pearson correlation is utilized to test the association between remittances and household consumption expenditure patterns.
- b) Significance level fixed at 5% ($p < 0.05$).

Objective 2: To assess transitions in household expenditure patterns and the priorities of remittance amounts received by households across time.

1. Cross-tabulation:

- Year-wise distribution of remittance spending across five expenditure categories.
- Percentages compared across time to identify changing patterns.

Chi-Square Test:

- Experimented whether expenditure patterns are significantly associated with the years.
- Cramer’s V is used to consider the strength of association.

Software

All statistical analyses were performed using IBM SPSS Statistics 23.

RESULT AND FINDINGS

Table 1: Remittances Amount

Year	Total Remittances (₹ Crores)	NSDP (₹ Crores)	Remittances as % of NSDP
2003	18,465	83,783	22
2008	43,288	140889	30.7
2013	71,142	371384	19.2
2018	85,092	632093	13.5

2023	216893	933564	23.2
------	--------	--------	------

Table 1 shows the remittances to the Kerala economy between the years 2003 and 2023. Remittances to Kerala increased more than eleven fold during the study period, rising from Rs. 18,465 crores to Rs. 2,16,893 crores. Nevertheless, the share in NSDP demonstrated considerable changes. Remittances peaked at 30.7 percent of NSDP in the year 2008, remembering Kerala's heavy dependence on migrant returns during that period. This percentage declined steadily to 13.5 percent in 2018 as Kerala state's economy expanded more rapidly than remittance inflows, though total remittances kept growing. In the year 2023, the percentage recovered to 23.2 percent, signalling the restarted importance of remittances after the COVID-19 pandemic and the development of student and labour migration. Altogether, the table highlights a double tendency: while remittances stay a vital lifeline for Kerala's economy, their comparative value has shifted in line with more widespread economic growth dynamics.

Figure 1: Household Consumption:

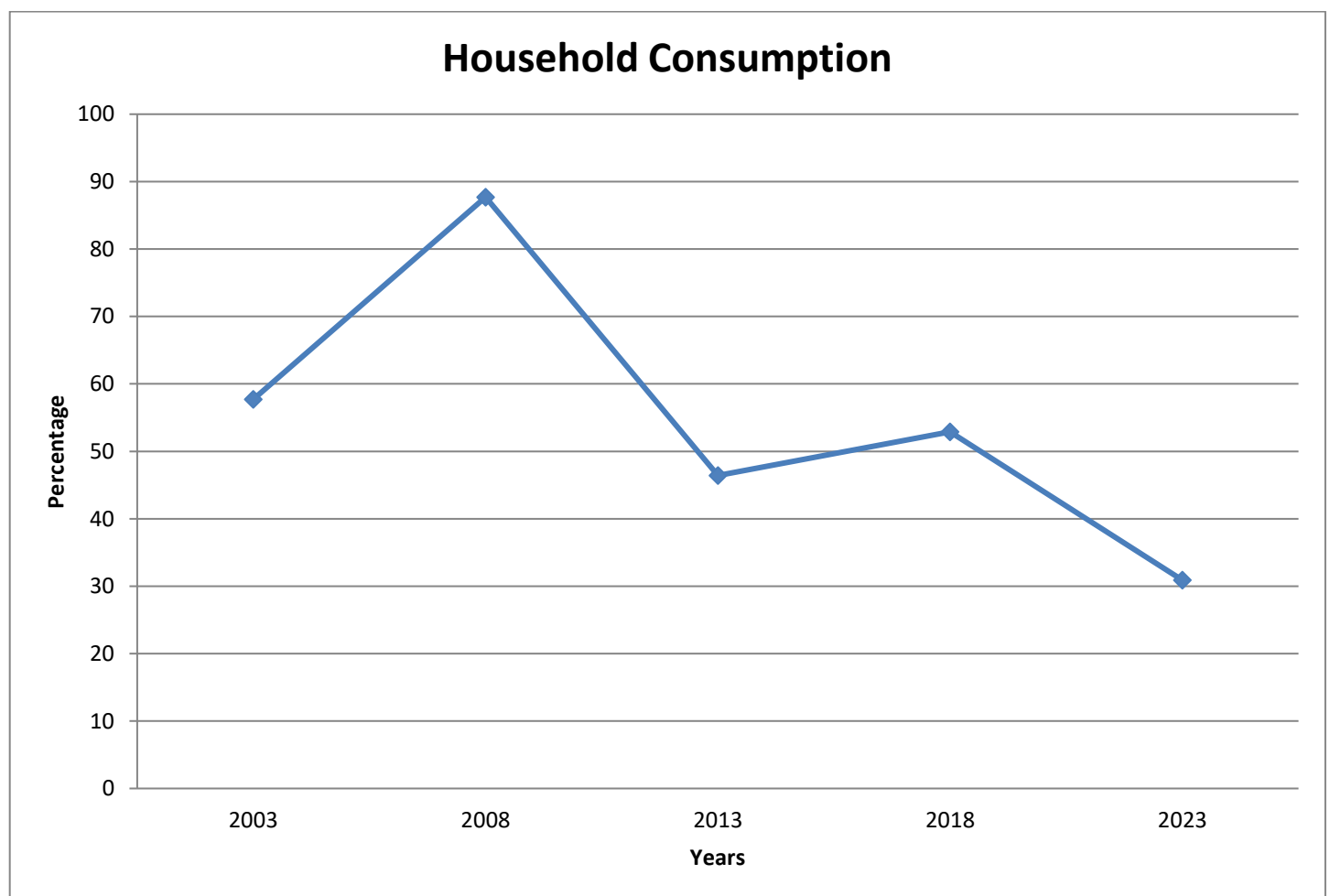


Figure 1 shows the household spending on consumption in the year 2003 at 57.7 percent and peaked in the year 2008 at 87.7 percent. Nonetheless, it steadily decreased in the years after, dropping to 30.9 percent in 2023. The figure illustrates a gradual shift away from dependence on basic household consumption toward alternative uses of remittance income.

Figure 2: Housing & Land:

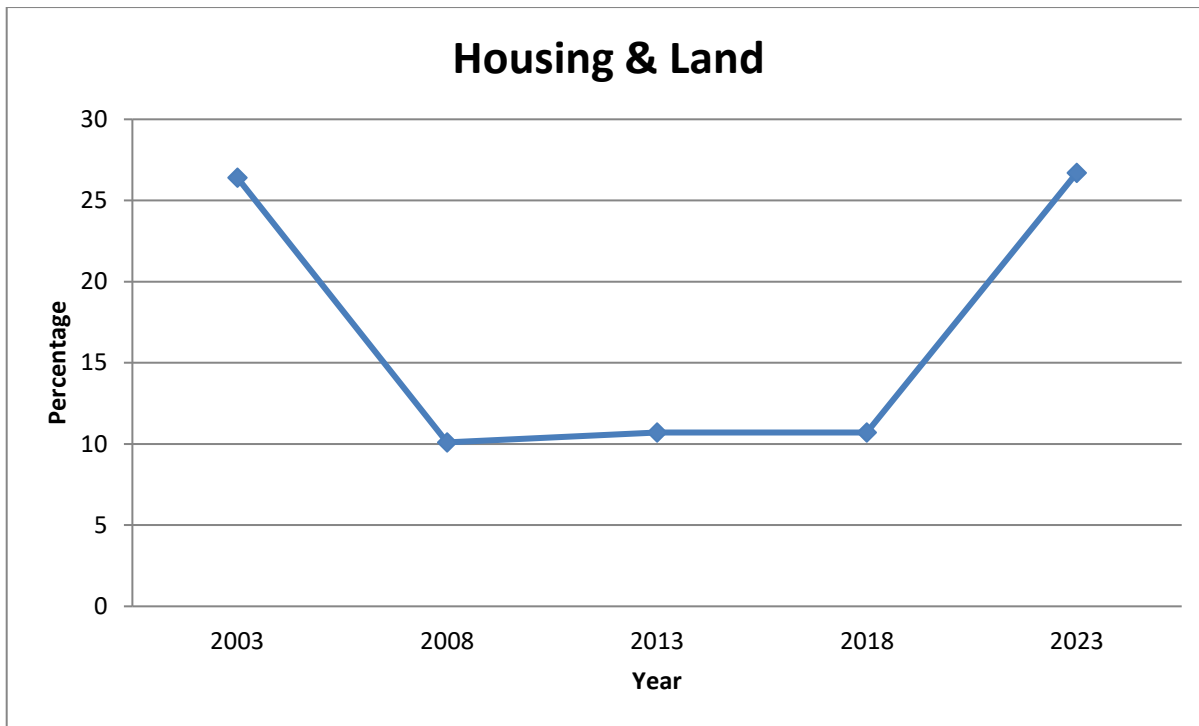


Figure 2 shows that the Expenditure on housing and land was high in the year 2003, 26.4 percent, declined sharply in the year 2008 to 10.1 percent, and stayed stable in the years 2013 and 2018. the year 2023, it increased again to 26.7 percent, signifying a continued focus on asset-building, perhaps due to return migration and resettlement requirements.

Figure 3: Debt Repayment:

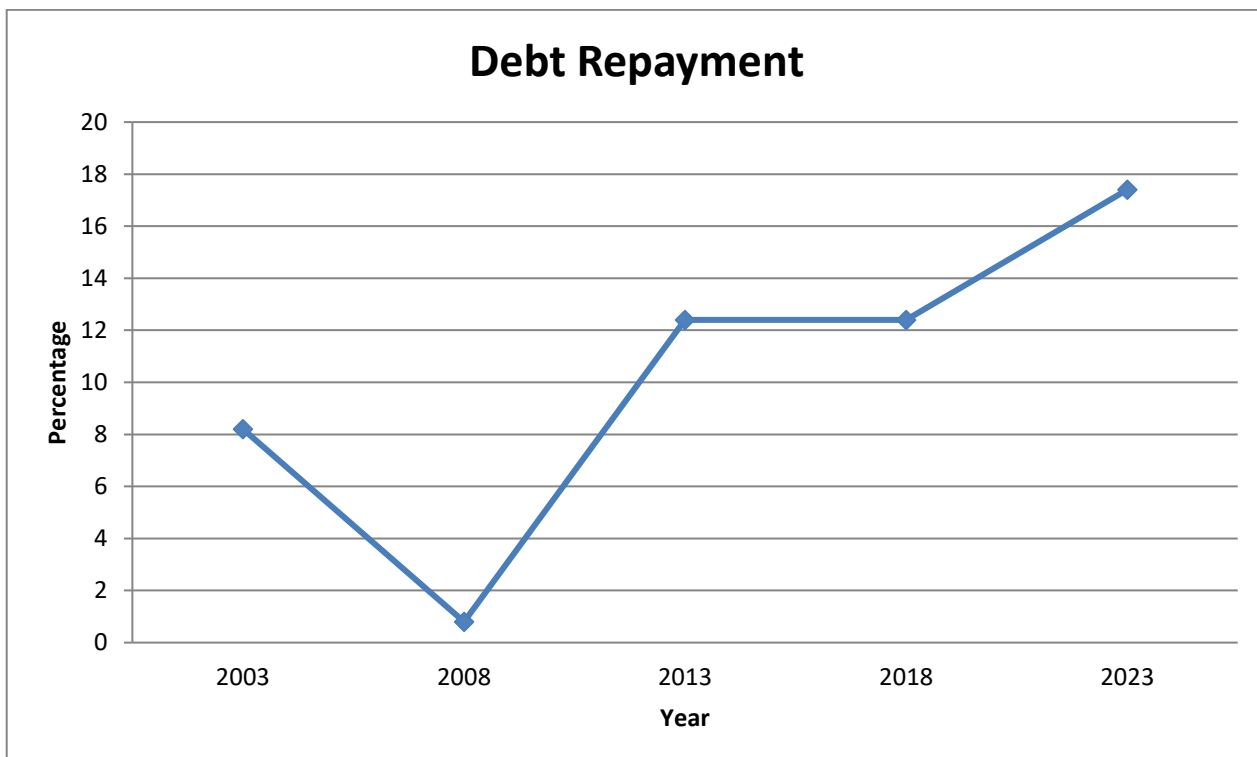


Figure 3 shows that the Debt repayment was modest in the year 2003 at 8.2 percent, and nearly negligible in the year 2008 at 0.8 percent. From the year 2013 onward, it increased significantly, reaching 17.4 percent in the year 2023. This means increasing financial responsibilities among migrant families, likely connected to rising migration costs and loans.

Figure 4: Savings & Investments:

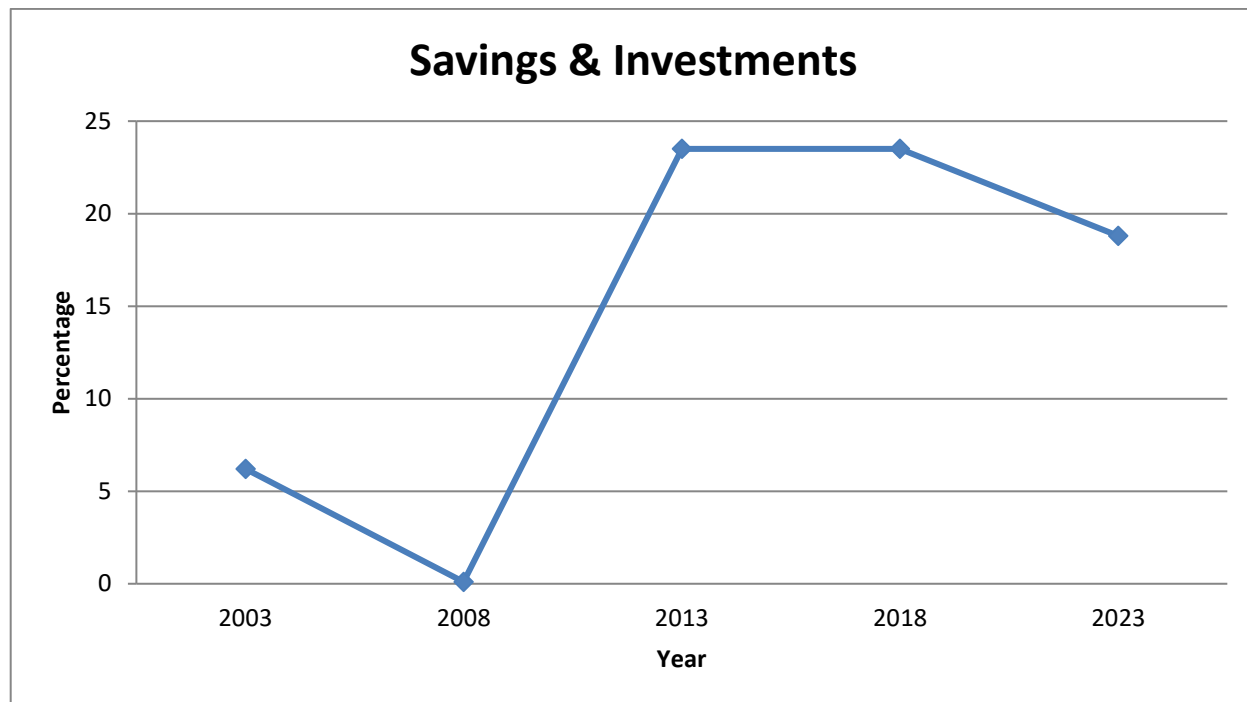


Figure 4 shows that Savings and investments were low in the year 2003 at 6.2 percent and almost absent in the year 2008 at 0.1 percent. Nevertheless, they jumped to 23.5 percent in the years 2013 and 2018, before slightly declining to 18.8 percent in the year 2023. This exhibits that remittances began to support long-term financial stability, although recent years offer a partial recreation back to immediate wants.

Figure 5: Consumer Durables & Vehicles:

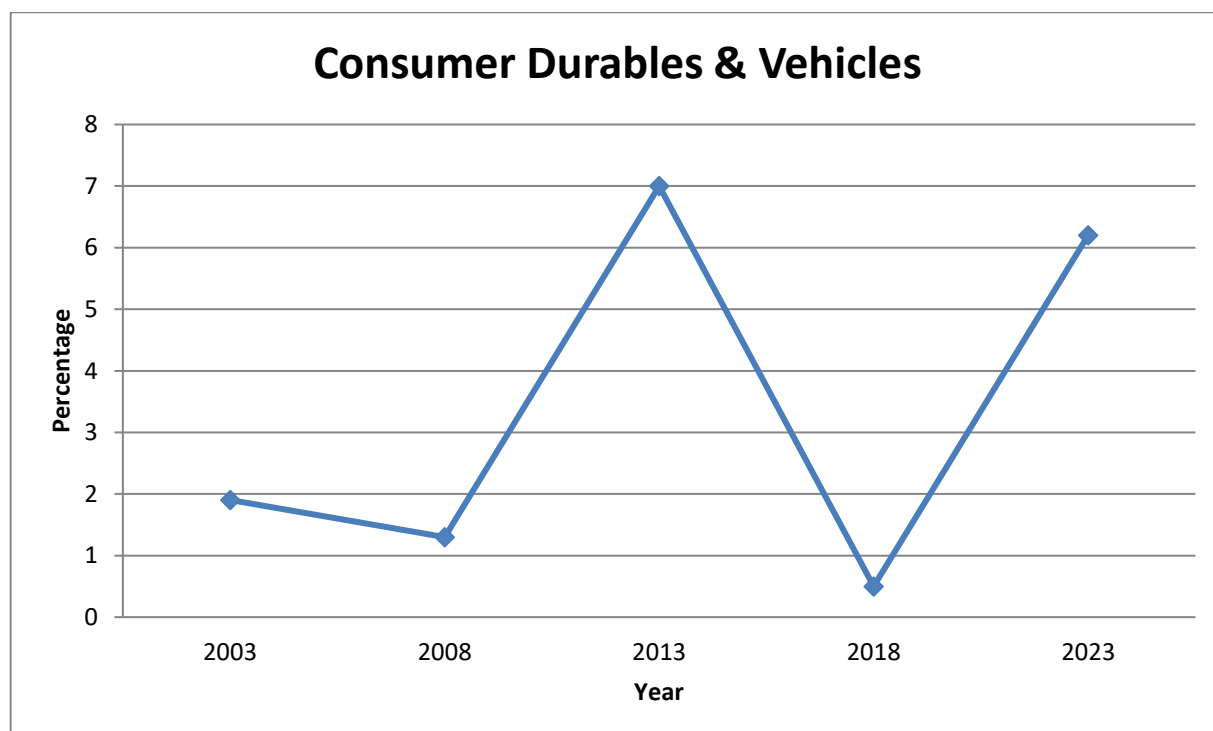


Figure 5 shows that Spending on consumer durables and vehicles was marginal in the year 2003 at 1.9 percent and in 2008 at 1.3 percent, but increased to 7 percent in the year 2013. It fell sharply in 2018 to 0.5 percent,

before increasing again to 6.2 percent in 2023. This recollects fluctuating but rising aspirations for lifestyle modifications among migrant families.

Figures 1 to 5 reveal a structural modification in remittance use over two decades from the year 2003 to 2023. While household consumption patterns dominated in the early years, more recent trends show diversification into housing, savings, and debt repayment. This shift suggests that remittances are increasingly used not just for immediate consumption wants but also for asset creation and financial stability, aligning with more general socio-economic changes in Kerala.

Figure 6: Trend in Emigrant growth from 2003 to 2023

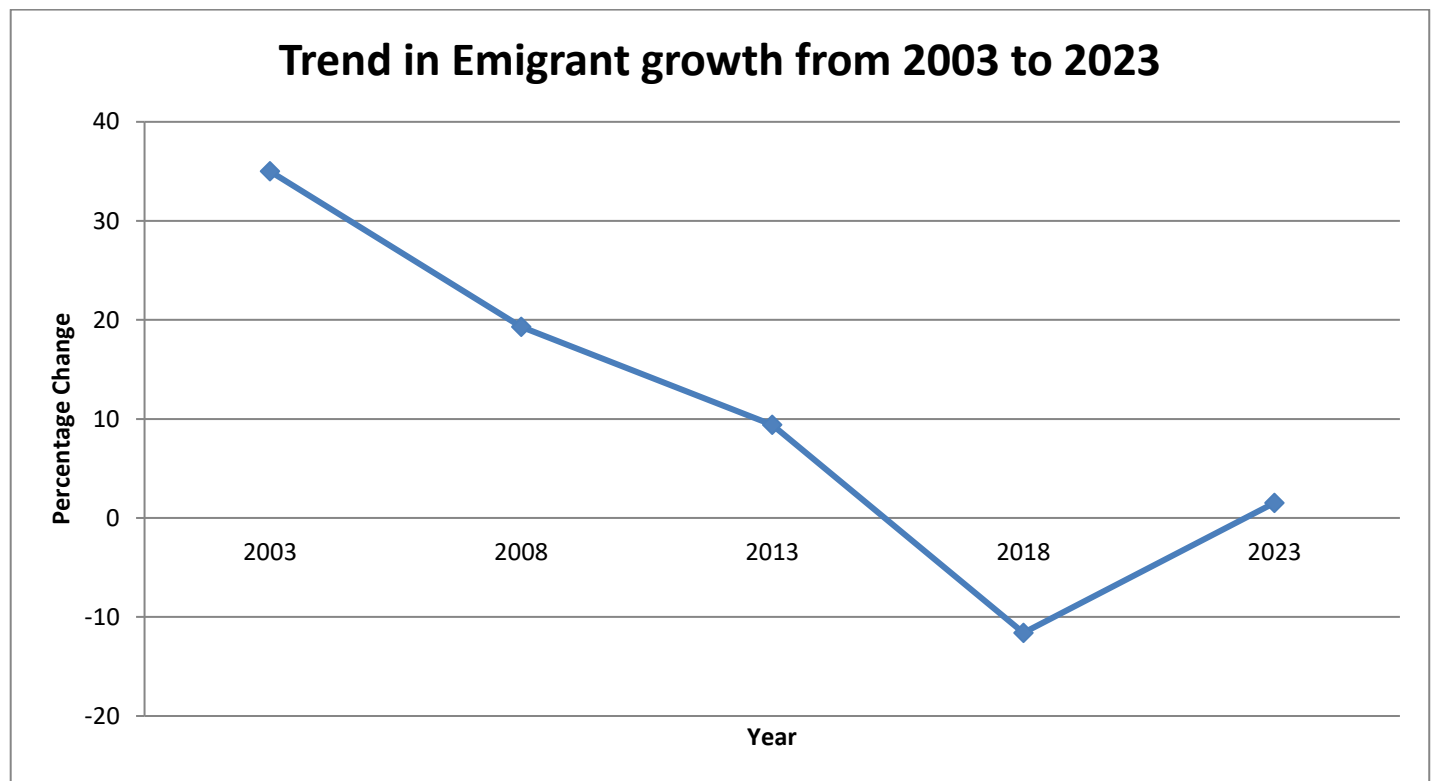


Figure 6 highlights the erratic trend in emigrant growth from the year 2003 to 2023. During the early years, the growth was strong, with a sharp 35 percent increase in the year 2003 and a 19.3 percent rise in the year 2008, recalling the continued demand for migrant labor, particularly in the Gulf Countries. Nevertheless, in the year 2013, the growth slowed to 9.4 percent, signaling a saturation point in migration opportunities. The most striking change occurred in 2018, when emigrants declined by 11.6 percent, likely due to shrinking labor market policies in destination countries and economic shifts. By 2023, there was only a marginal recovery of 1.5 percent, showing stagnation in migration trends.

Altogether, the data indicate that while migration was a strong economic driver in the early 2000s, its pace has slowed considerably, and recent years reflect both structural challenges abroad and changing aspirations at the household level.

Figure 7: Migration patterns between GCC and Non-GCC countries from 2003 to 2023

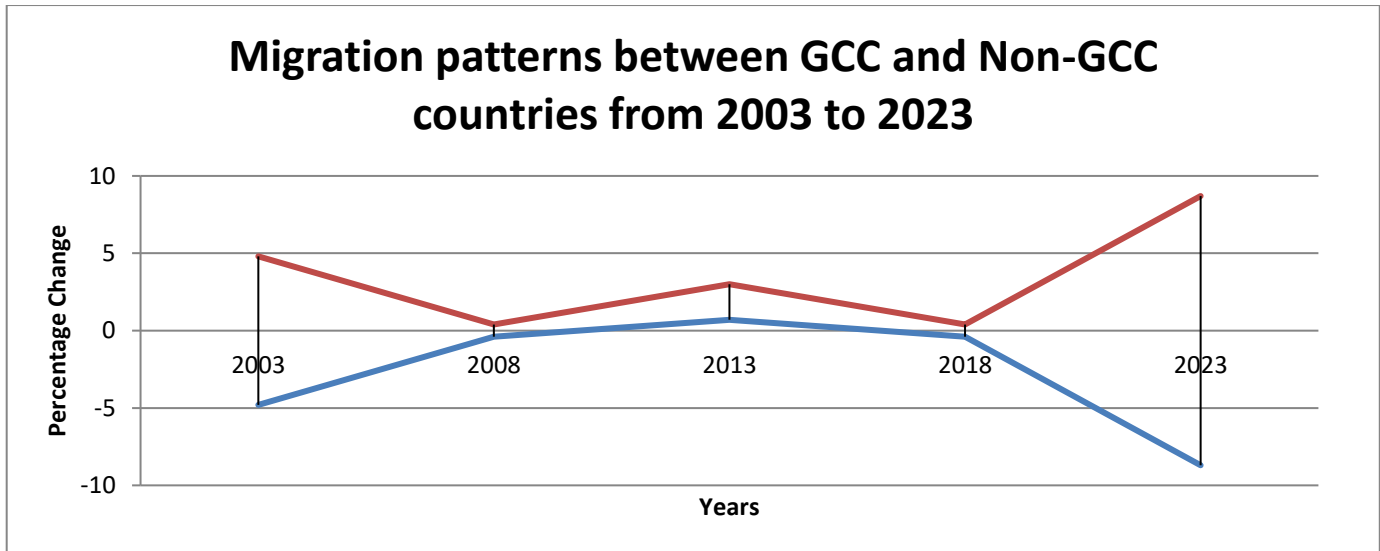


Figure 7 shows the shifting migration patterns between GCC and Non-GCC countries from the year 2003 to 2023. In 2003, the GCC countries saw a Negative 4.8 percent decline, while Non-GCC destinations increased by 4.8 percent, recalling early diversification of migration beyond the Gulf. The following years 2008 and 2013 display only small changes, with slight declines in GCC shares and fair gains for Non-GCC countries.

Nevertheless, by in the year 2023, the shift became much sharper, with GCC countries experiencing a negative 8.7 percent drop and Non-GCC destinations gaining equally positive 8.7 percent. This indicates a clear reorientation of migration away from Gulf countries towards alternative countries, possibly due to tightened labor laws, economic diversification in GCC, and better opportunities in Non-GCC Countries.

In brief, while GCC countries dominated Kerala's migration story historically, the recent data underscores a structural transition toward Non-GCC migration.

Objective 1: To analyze the relationship between remittance inflows and household consumption expenditure patterns in Kerala.

Figure 8: Linearity & outliers

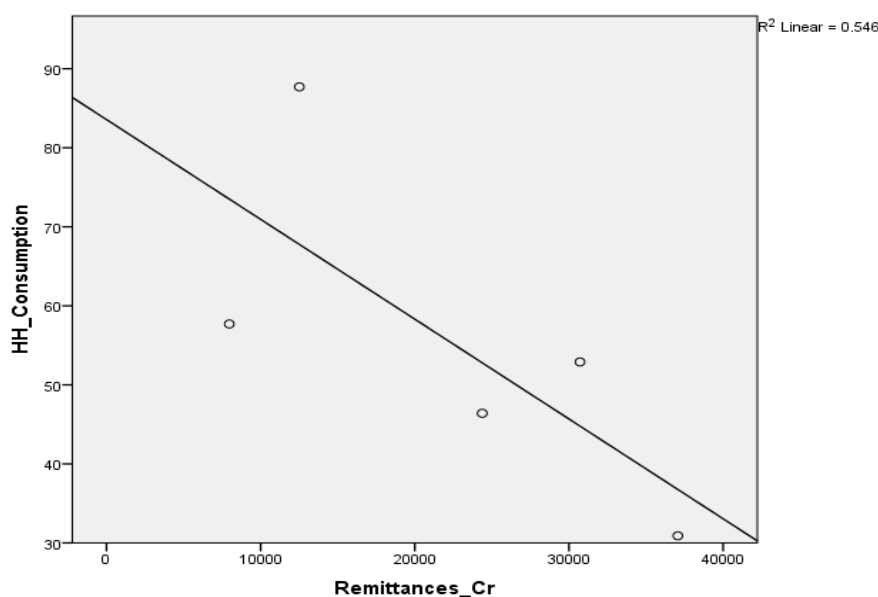


Figure 8 shows the analysis of linearity and outliers, which delivers significant understanding into the relationship between remittances and household consumption patterns in Kerala. The scatter plot test indicated that no extreme outliers exist in the dataset, meaning the observations across the five survey reports in the years 2003,2008,2013,2018,2023 are uniform and reliable for research. This means that changes in consumption patterns are systematic instead of being caused by unique years.

Coming to the linearity, the scatter plot showed a downward-sloping linear relationship between remittance amount inflows and household consumption patterns. There is a negative correlation Pearson's $r = -0.739$, suggesting that as remittance amounts increased substantially, the percentage of household expenditure pattern dedicated to basic consumption decreased. Rather, households appear to have slowly reallocated remittance income toward other categories, such as housing, savings, debt repayment, and investment.

This result instantly helps the first objective by showing that while remittances amount continue to play a vital role in Kerala's economy, their influence on household consumption patterns has weakened over time, reflecting a broader structural shift in expenditure preferences.

Figure 9: Tests of Normality

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Remittances_Cr	.194	5	.200*	.948	5	.723
HH_Consumption	.251	5	.200*	.944	5	.695
*. This is a lower bound of the true significance.						
a. Lilliefors Significance Correction						

The Kolmogorov-Smirnov and Shapiro-Wilk tests were applied to check whether the variables—Remittances and Household Consumption pattern follow a normal distribution.

- 1) For Remittances in Crores of rupees, the Shapiro-Wilk test had a significance value of 0.723 ($p > 0.05$).
- 2) For Household Consumption, the Shapiro-Wilk test gave a significance value of 0.695 ($p > 0.05$).

Since both p-values are greater than 0.05, we fail to reject the null hypothesis of normality. This means that both variables are normally distributed.

This is necessary for the first objective because it validates the use of parametric statistical tools (such as correlation and regression) in exploring the relationship between remittance amount inflows and household consumption patterns. The normality of the data suggests that the results are statistically trustworthy.

Figure 10: Kolmogorov-Smirnov & Shapiro-Wilk:

Variable	Shapiro-Wilk Sig.	Interpretation
Remittances_Cr	0.723	$p > 0.05 \rightarrow$ normal
HH_Consumption	0.695	$p > 0.05 \rightarrow$ normal

The research of normality for the key variables—Remittances_Cr ($p = 0.723$) and HH_Consumption ($p = 0.695$)—suggests that both follow a normal distribution. This allows us to use parametric methods to explore their relationship from 2003 to 2023.

Figure 11: Correlations

Correlations			
		Remittances_Cr	HH_Consumption
Remittances_Cr	Pearson Correlation	1	-.739
	Sig. (2-tailed)		.154
	N	5	5
HH_Consumption	Pearson Correlation	-.739	1
	Sig. (2-tailed)	.154	
	N	5	5

The Pearson correlation coefficient ($r = -0.739$) suggests a negative association between remittance inflows and household consumption shares. However, given the limited number of observations ($n = 5$), the result should be interpreted as a descriptive trend rather than a statistically robust inference.

Despite the statistical limit, the negative correlation is substantively significant. It means that while remittances continue to flow into Kerala, households' consumption pattern have slowly shifted their expenditure patterns away from primary consumption toward housing, savings, investments, and debt repayment. This tendency reflects a long-term structural change in the part of remittances in Kerala's economy.

Overall, the data suggest that remittance inflows have impacted household consumption patterns in Kerala between 2003 and 2023. Additional research with more data points and disaggregated consumption categories like food, housing, education, and health could clarify how remittances are shaping consumption patterns over the years.

Objective 2: To assess transitions in household expenditure patterns and the priorities of remittance amounts received by households across time.

Figure 12: Crosstabulation

Year * Category Crosstabulation								
			Category					Total
			Consumer Durables & Vehicles	Debt Repayment	Household Consumption	Housing & Land	Savings & Investments	
Year	2003	Count	19	82	577	264	62	1004

		Expected Count	33.9	102.7	553.0	169.7	144.7	1004.0
		% within Year	1.9%	8.2%	57.5%	26.3%	6.2%	100.0%
		% within Category	11.2%	16.0%	20.9%	31.2%	8.6%	20.1%
	2008	Count	13	8	877	101	1	1000
		Expected Count	33.8	102.3	550.8	169.1	144.1	1000.0
		% within Year	1.3%	0.8%	87.7%	10.1%	0.1%	100.0%
		% within Category	7.7%	1.6%	31.8%	11.9%	0.1%	20.0%
	2013	Count	70	124	464	107	235	1000
		Expected Count	33.8	102.3	550.8	169.1	144.1	1000.0
		% within Year	7.0%	12.4%	46.4%	10.7%	23.5%	100.0%
		% within Category	41.4%	24.2%	16.8%	12.6%	32.6%	20.0%
	2018	Count	5	124	529	107	235	1000
		Expected Count	33.8	102.3	550.8	169.1	144.1	1000.0
		% within Year	0.5%	12.4%	52.9%	10.7%	23.5%	100.0%
		% within Category	3.0%	24.2%	19.2%	12.6%	32.6%	20.0%
	2023	Count	62	174	309	267	188	1000
		Expected Count	33.8	102.3	550.8	169.1	144.1	1000.0

		% within Year	6.2%	17.4%	30.9%	26.7%	18.8%	100.0%
		% within Category	36.7%	34.0%	11.2%	31.6%	26.1%	20.0%
Total	Count		169	512	2756	846	721	5004
	Expected Count		169.0	512.0	2756.0	846.0	721.0	5004.0
	% within Year		3.4%	10.2%	55.1%	16.9%	14.4%	100.0%
	% within Category		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The crosstab research of household expenditure patterns across the years 2003 to 2023 highlights important shifts in consumption patterns:

1. Household Consumption:

In the year 2003, the majority of expenditure, 57.5 percent, was on household consumption, which increased to 87.7 percent in 2008, then slowly declined to 46.4 percent in 2013, 52.9 percent in 2018, and 30.9 percent in 2023.

This indicates that while essential household needs were overlooked in the early years, their percentage decreased over the years, probably due to diversification of expenditure into other categories.

Housing & Land:

Expenditure on housing was substantial in 2003 at 26.3 percent and 2023 at 26.7 percent, but lower in the intervening years. This suggests periodic asset in property, with a continued focus in 2023.

Consumer Durables & Vehicles:

Originally low at 1.9 percent in the year 2003 and 1.3 percent in 2008, spending on consumer durables increased steadily by 2013 to 7.0 percent and 2023 to 6.2 percent.

This tendency points to a growing discretionary consumption pattern over the years.

Debt Repayment:

Expenditure on debt repayment stayed relatively low initially at 8.2 percent in 2003, 0.8 percent in 2008, though rose to in 2013 12.4 percent and 2023 17.4 percent.

This suggests increased financial obligations over the years, perhaps reflecting entry to credit and loans.

Savings & Investments:

Savings and investments were fair in early years, to 6.2 percent in 2003, 0.1 percent in 2008, but increased

substantially by 2013 to 23.5 percent and remained significant in 2018 and 2023 to 23.5 percent and 18.8 percent, respectively.

This recalls a growing tendency to direct resources toward future financial stability and capital accumulation.

The cross table data shows a gradual shift from basic consumption wants toward discretionary spending and financial investments over the last 20 years, from 2003 to 2023. Households in Kerala seem to be diversifying consumption priorities, moving from predominantly immediate needs, food, and housing to savings, investments, and consumer durables, indicating enhanced economic capacity and changing lifestyle practices.

Figure 13: Chi-Square Test

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1071.259 ^a	16	.000
Likelihood Ratio	1242.218	16	.000
N of Valid Cases	5004		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 33.77.			

The Chi-Square test results indicate a Pearson Chi-Square value of 1071.259 with 16 degrees of freedom and a significance level of $p = 0.000$. The Likelihood Ratio is 1242.218, also significant at $p = 0.000$. Since the p-value is less than 0.05, we reject the null hypothesis that expenditure categories are independent of the year.

This suggests that household expenditure patterns in Kerala have changed significantly over the period from 2003 to 2023.

The Chi-Square test statistically validates the observed trends from the crosstab study: households are increasingly diversifying expenditure patterns, shifting from basic needs toward consumer durables, debt repayment, and savings or investments, contemplating switching economic behavior and growing financial capacity over the years.

Figure 14: Symmetric Measures

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.463	.000
	Cramer's V	.231	.000
N of Valid Cases		5004	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

The Symmetric Measures deliver the strength of association between year and expenditure categories: $\Phi = 0.463$, Cramer's $V = 0.231$,

Since $p < 0.05$, the association is statistically significant. Phi indicates a moderate association between the year and expenditure patterns. Cramer's V, which adjusts for table size, shows a moderate strength of association of 0.231 between the year and how households allocate consumption.

These measures ensure that household spending patterns in Kerala have changed over the years. The association between the year and expenditure priorities covering food, housing, and education, health, and consumer durables is statistically significant, indicating that households are progressively shifting their spending from basic needs toward savings, investments, and consumer durables.

SUMMARY AND CONCLUSION

In conclusion, the analysis of Kerala Migration Survey data from the year 2003 to 2023 indicates significant changes in remittance amount inflows, household consumption patterns, and expenditure priorities. Between 2003 and 2023, remittances grew more than eleven times, from Rs. 18,465 crores to Rs. 2,16,893 crores, with their share of NSDP fluctuating, peaking at 30.7 percent in 2008, falling to 13.5 percent in 2018, and rising again to 23.2 percent in 2023. While total remittances continued to rise, the rate of increase slowed over the years, reflecting growth in migration flows and a shift toward non-GCC countries.

Household consumption patterns indicate a structural transformation. Expenditure on basic household consumption dominated the early years of the study period 57.5 percent in 2003, 87.7 percent in 2008 but declined to 30.9 percent in 2023. Together, spending on housing and land, savings and investments, debt repayment, and consumer durables increased, suggesting a reallocation of remittance amounts toward asset creation, financial stability, and lifestyle improvements. Linearity and outlier analysis confirmed consistent and reliable data trends, while normality tests (Shapiro–Wilk: Remittances $p = 0.723$; Household Consumption $p = 0.695$) validated the use of parametric methods. Pearson correlation analysis showed a strong negative relationship ($r = -0.739$, $p = 0.154$) between remittances and household consumption pattern as a percentage of expenditure, meaning that higher remittances are increasingly led away from immediate consumption toward long-term investments.

Cross-tabulation of expenditure categories over the years confirms diversification of spending patterns. Chi-Square tests (Pearson $\chi^2 = 1071.259$, $df = 16$, $p = 0.000$) and Symmetric Measures (Phi = 0.463, Cramer's V = 0.231, $p = 0.000$) indicate that changes in expenditure patterns are statistically significant and moderately associated with the survey year. Before, dependency on household consumption slowly gave way to increasing investment in housing, savings, debt repayment, and consumer durables, remembering both increased financial capacity and changing household aspirations.

Migration directions further contextualize these findings. Emigrant numbers increased strongly in the early 2000s but declined post-2013, with a decline in 2018 and only a marginal comeback by 2023. Countries' patterns shifted from GCC to non-GCC countries, emphasizing structural changes in Kerala's migration economy. Altogether, the results show that remittances remain a critical economic lifeline, but their utilisation has become: households increasingly prioritise long-term financial stability, asset creation, and human capital investments, representing broader socio-economic transformation in Kerala over the years from 2003 to 2023.

This research paper provides a comprehensive investigation of the evolving role of remittances in shaping household consumption patterns in Kerala over the years from 2003 to 2023. The results reveal a dual trend: while remittances have always increased in absolute terms, their share of the state's NSDP has fluctuated, recalling the interplay between migrant wages and overall economic development. Before, reliance on remittances for basic household consumption patterns slowly gave way to more diversified expenditure, including housing, debt repayment, savings, investments, and consumer durables.

Statistical investigations confirm that these shifts are significant. The strong negative correlation between remittance amounts and basic household consumption patterns indicates that higher remittance inflows are increasingly directed toward long-term financial stability and asset creation rather than immediate consumption wants. Chi-Square and Symmetric Measures additionally validate that household spending patterns have evolved

systematically across the survey years. Also, migration trends show a gradual diversification of destinations from GCC to non-GCC countries, alongside a slowing growth of emigrants, mirroring broader global economic and approach shifts.

Altogether, the research reveals that remittances remain a critical component of Kerala's economy, but their position has changed. Households are using remittance income not just to meet immediate consumption requirements but to fund financial stability, property, and human capital, showing a growth of migration-driven economic manners. These insights have important implications for policymakers: keeping sustainable migration, promoting financial literacy, and enabling productive acquisition of remittance income can boost the developmental benefits of multinational migration for Kerala.

The observed shift away from basic consumption toward housing, savings, and debt repayment aligns with the New Economics of Labour Migration and life-cycle consumption theories. As remittance income becomes more predictable, households prioritize long-term financial security over immediate consumption. This transition reflects Kerala's mature migration system and distinguishes it from short-term remittance-dependent economies.

Limitations

- 1) Dependence only on the secondary data; no primary household-level Consumption pattern is utilized.
- 2) General expenditure categories may obscure more detailed information, like health vs. education.
- 3) Five-year survey gaps may skip short-term jaw-droppers like floods and COVID-19.
- 4) Concentrate on remittance households only, omitting non-remittance comparisons.
- 5) Could not completely grab new migration tendencies, like student or non-GCC migration.

REFERENCES

- 1) Gulati Institute of Finance and Taxation. (2003). *Kerala Migration Survey 2003*. Thiruvananthapuram, India
- 2) Gulati Institute of Finance and Taxation. (2008). *Kerala Migration Survey 2008*. Thiruvananthapuram, India
- 3) Gulati Institute of Finance and Taxation. (2013). *Kerala Migration Survey 2013*. Thiruvananthapuram, India
- 4) Gulati Institute of Finance and Taxation. (2018). *Kerala Migration Survey 2018*. Thiruvananthapuram, India
- 5) Gulati Institute of Finance and Taxation. (2023). *Kerala Migration Survey 2023*. Thiruvananthapuram, India
- 6) Zachariah, K. C., Mathew, E. T., & Irudaya Rajan, S. (1999). *Impact of migration on Kerala's economy and society* (Working Paper No. 297). Centre for Development Studies.
- 7) Zachariah, K. C., Mathew, E. T., & Irudaya Rajan, S. (2000). *Socio-economic and demographic consequences of migration in Kerala* (Working Paper No. 303). Centre for Development Studies.
- 8) Zachariah, K. C., Irudaya Rajan, S., & Gopinathan Nair, P. R. (2001). *Return emigrants in Kerala: Rehabilitation problems and development potential* (Working Paper No. 319). Centre for Development Studies.
- 9) Zachariah, K. C., Prakash, B. A., & Irudaya Rajan, S. (2002). *Gulf migration study: Employment, wages and working conditions of Kerala emigrants in the United Arab Emirates* (Working Paper No. 326). Centre for Development Studies.
- 10) Zachariah, K. C., & Irudaya Rajan, S. (2004). *Gulf revisited: Economic consequences of emigration from Kerala, emigration and unemployment* (Working Paper No. 363). Centre for Development Studies.
- 11) Zachariah, K. C., & Irudaya Rajan, S. (2005). *Unemployment in Kerala at the turn of the century: Insights from CDS Gulf migration studies* (Working Paper No. 374). Centre for Development Studies.
- 12) Zachariah, K. C., & Irudaya Rajan, S. (2007). *Economic and social dynamics of migration in Kerala, 1999–2004: Analysis of panel data* (Working Paper No. 384). Centre for Development Studies.

- 13) Zachariah, K. C., & Irudaya Rajan, S. (2007). *Migration, remittances and employment: Short-term trends and long-term implications* (Working Paper No. 395). Centre for Development Studies.
- 14) Zachariah, K. C., & Irudaya Rajan, S. (2010). *Migration monitoring study, 2008: Emigration and remittances in the context of surge in oil prices* (Working Paper No. 424). Centre for Development Studies.
- 15) Zachariah, K. C., & Irudaya Rajan, S. (2010). *Impact of the global recession on migration and remittances in Kerala: New evidences from the Return Migration Survey (RMS) 2009* (Working Paper No. 432). Centre for Development Studies.
- 16) Zachariah, K. C., & Irudaya Rajan, S. (2011). *From Kerala to Kerala via the Gulf: Emigration experiences of return emigrants* (Working Paper No. 443). Centre for Development Studies.
- 17) Zachariah, K. C., & Irudaya Rajan, S. (2012). *Inflexion in Kerala's Gulf connection: Report on Kerala Migration Survey 2011* (Working Paper No. 450). Centre for Development Studies.
- 18) Zachariah, K. C., & Irudaya Rajan, S. (2015). *Dynamics of emigration and remittances in Kerala: Results from the Kerala Migration Survey 2014* (Working Paper No. 463). Centre for Development Studies.
- 19) Zachariah, K. C., & Irudaya Rajan, S. (2019). *Emigration and remittances: New evidences from the Kerala Migration Survey, 2018* (Working Paper No. 483). Centre for Development Studies.
- 20) World Bank (2023) – Migration & Development Brief
- 21) IMF (2022) – Remittances and macro stability
- 22) Gupta et al. (2021) – Remittances and consumption smoothing (India)
- 23) Mohapatra & Ratha (2019) – Remittances and household welfare
- 24) Kose et al. (2021) – Global remittance flows