CAUSES AND IMPACT OF LABOR MIGRATION IN INDIA

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ABSTRACT

Migration from one area to another in search of improved livelihoods is a key feature of human nature. While some regions and sectors fall behind in their capacity to support populations, others move ahead and people migrate to access these emerging opportunities. The regional disparity arises due to several reasons. Some of them are natural and some are man-made. It is quite natural that investment would be attracted in developed regions only. Industrialization widens the gap between rural and urban areas, inducing a shift of the workforce towards industrializing areas. There is extensive debate on the factors that cause populations to shift, from those that emphasize individual rationality and household behavior to those that cite the structural logic of capitalist development. Moreover, several studies show that the process of migration is also influenced by social, cultural and economic factors and outcomes can be vastly different for men and women, for different groups and different locations. The paper considers the issue of labour migration which is very significant for economic development of any nation. It presents in a nutshell the trends and patterns of migration in India, its causes and impacts as discussed in the literature so far. After doing a rigorous survey of the literature we observe that the issue is, in some sense, neglected and its importance is underestimated. Hence, the paper would serve as a useful guide to the future research on this area.
Keywords: Regional Migration, Marriage, Wage differentials, Informal Labour Markets, Demographic Trends.

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1. INTRODUCTION
Every economy is confronted with certain economic problems. Some of them may be external, while some may be internal. Among all the internal problems, unemployment gains huge importance both in economic theories as well as in terms of policy prescriptions. Every individual wishes to get employed to have a source of more or less steady flow of incomes. Incomes provide purchasing power to individuals and hence they can improve their standard of living. So, if an individual cannot find job in her current location, then she can decide to move out of that place and relocate to some other region in search of employment. This phenomenon is regarded as ‘labour migration’. Migration is defined as a move from one migration defining area to another, usually crossing administrative boundaries made during a given migration interval and involving a change of residence1. In general, the level of development gap between the economies and also between the regions within an economy induces an individual to migrate from a region where opportunity to find jobs is lower to a region where job finding is easier. Migration can be of two types – internal migration and external migration or emigration. In the global scenario, internal migration seems to be more significant than the external migration.

One major reason for which labourers migrate from one region to another region is in search of employment. Even in a situation where an individual is indifferent between the two regions in terms of employment opportunities still there can be an incidence of migration. In that case, the wage difference between the two regions determines the direction of migration. The labourers migrate from a region of lower wage rate to a region of higher wage rate. The continuous migration creates competition among the potential workers which lowers the wage rate. This process continues unless the wage-gap between the two regions is eliminated. Thus labour migration can achieve balance in the wage rates of the two regions. This phenomenon is known as ‘convergence’ in literature. But in reality whether this type of inter-regional convergence occurs or not is a highly debatable issue. Further, due to competition among the migrants finding a job in another region involves an element of uncertainty. In this situation an individual calculates the expected earnings and only when it exceeds the present earning, they decide to migrate.

Moreover, the job-search motive cannot be the sole cause for migration. The extent of migration also depends on other factors like age, sex, level of education, caste, religion and socio-economic status of the migrants. For example, with the development of Bangalore as an information technology (IT) city many IT professionals have migrated from different parts of India to Bangalore. Likewise, we observe that some regions are densely populated by the people belonging to a particular religious community. Sex of the migrant is another vital attribute determining the extent of migration. Male workers migrate mainly to search for employment opportunities. But females migrate mainly on account of marriage. Thus the importance of these factors cannot be ignored.

The extent of labour migration also affects the growth level of a particular region. The classical growth theories have shown that resources in the form of migrants can be used by an economy for its development purpose. The Lewis model of development (1954) proposes that migration of surplus labour from the subsistence sector to the urban manufacturing sector
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creates surplus in the latter sector. This surplus can be used for capital formation and growth of the economy through reinvestment. Although this result has theoretical implications but the identification of surplus labour in the subsistence sector creates a huge problem. The Harris-Todaro model of development (1970) also suggests migration of labour from rural to urban sectors can achieve growth. In their model, the expected earnings in the urban sector is at least as high as the earning in rural sector is used as a precondition of migration. An interesting implication of these theoretical results is that labour migration can be effectively used for development of the region to which the workers migrate. But if this is true, then it would never lead to convergence of the two regions. The development gap between the two regions would diverge although the wage gap might converge. The informal production systems are more widely spread across rural and urban spaces. Thus finding a job is easier in informal sectors than in formal sectors. As a result the number of migrants tends to increase in the informal sectors. But, in general, informal sectors do not present a very good environment for work. It might adversely affect the satisfaction level of the migrants. But such problems are likely to be absent in the formal sectors where the participation of skilled and educated workers is high. In other words, the labour market under globalization is placing a higher premium on the skilled migrants. Moreover, in many situations the poor workers migrating from rural to urban areas access employment through a chain of intermediaries. Hence it can lead to exploitation of the poor workers by the intermediaries.

The remittances and savings of the migrants can also be helpful to improve the standard of living of the people of the recipient regions.

Thus cause, nature and extent of labour migration have impacts on the socio-cultural and political-economic environment of the state. With the advent of liberalization, inequalities in the labour market have widened and the nature of the market has changed towards greater informalization and flexibility. At the same time growth in India and the demand for certain types of labour follow the needs for capital, both national and global. An implication of this need is the surge in demand for highly skilled workers, on the one hand, and a mass of low skilled, low paid, easily controlled and highly flexible workforce, on the other hand. This increase in demand cannot be met by local labour and hence, increased worker mobility is required. But the mobile workforce acquires highly dualistic characteristics. On the one hand, migration of workers in the upper segment of the workforce has increased. On the other hand, capital is seeking to acquire cheap labour either through a highly casualised and migratory labour force or through immobile and home-based workers whose reservation wage is very low. So there is need for effective government policy in the context of labour migration, at least in respect of providing healthy working conditions and social security to the workers.

The paper presents an overview of labour migration in India in the following section. The next section discusses trends and patterns of labour migration by different dimensions. The section following throws light on the different causes of migration and the next section analyzes its impacts. The final section concludes

1.1. Labour Migration in India: An Overview

Migration from one area to another in search of improved livelihoods is a key feature of human nature. While some regions and sectors fall behind in their capacity to support populations, others move ahead and people migrate to access these emerging opportunities. The regional disparity arises due to several reasons. Some of them are natural and some are man-made. It is quite natural that investment would be attracted in developed regions only. Industrialization widens the gap between rural and urban areas, inducing a shift of the workforce towards industrializing areas. There is extensive debate on the factors that cause populations to shift, from those that emphasize individual rationality and household behavior
to those that cite the structural logic of capitalist development. Moreover, several studies show that the process of migration is also influenced by social, cultural and economic factors and outcomes can be vastly different for men and women, for different groups and different locations.

The sources of early migration flows were primarily agro-ecological, related to population expansion to new settlements or to conquests. There is considerable information on patterns of migration during the British period. Indian emigration abroad was one consequence of the abolition of slavery and the demand for replacement of labour. This took place through pacts, a form of contract labour whereby a person would bind himself for a specified period of service, usually four to seven years in return for payment of their passage. They left for British, Dutch and French colonies to work in sugar plantations and subsequently for the tea and rubber plantations of Southeast Asia. Similar demands for labour rose internally with the growth of tea, coffee and rubber plantations, coal mines and later, modern industry. But as they settled down, it provided a bridgehead to other migrants, whose numbers grew to satisfy colonial demand. Urban pockets like Kolkata and Mumbai attracted rural labourers mainly from labour catchment areas like Bihar, Uttar Pradesh and Orissa in the east and Andhra Pradesh, Tamil Nadu and parts of Kerala and Karnataka in the south.

The historical pattern of the flow of labourers persisted even after independence. Between 1951 and 2001, the proportion of the population living in urban areas rose from 17.3% to 32.8%. Of the total workforce, 73.3% remained in rural areas. The percentage declined marginally from 77.7% in 1991 and 79.3% in 1981. Given the size of India, the persistence of regional disparities is expected. However the scale and growth of these disparities is of concern. The ratio between the highest to lowest state per capita incomes has increased from 2.6 in 1980–83 to 3.5 in 1997–00). The Planning Commission estimates that 26.1% of India’s population lives below the poverty line (based on the National Sample Survey of 1999–2000). The rural poor have gradually concentrated in eastern India and rain fed parts of central and western India. These regions suffer from low-productivity in agriculture.

Earlier studies have shown that poor households participate extensively in migration. More recent studies have reconfirmed that migration is a significant livelihood strategy for poor households in several regions of India

2. CAUSES OF MIGRATION

Given the diversity in the nature of migration in India, the causes are also bound to vary. Migration is influenced both by the pattern of development and the social structure. The National Commission on Rural Labour, focusing on seasonal migration, concluded that uneven development was the main cause of seasonal migration. Along with interregional disparity, disparity between different socio-economic classes and the development policy adopted since independence has accelerated the process of seasonal migration. Most migration literature makes a distinction between ‘pull’ and ‘push’ factors, which do not operate in isolation of one another. Mobility occurs when workers in source areas lack suitable options for employment/livelihood, and there is some expectation of improvement in circumstances through migration. The improvement sought may be better employment or higher wages/incomes, but also maximization of family employment or smoothing of employment/income/consumption over the year. This is referred to as the ‘pull’ factor causing individuals to migrate. At one end of the migration spectrum, workers could be locked into a debt-migration cycle, where earnings from migration are used to repay debts incurred at home or in the destination areas, thereby cementing the migration cycle. This is referred to as the ‘push’ factor in the literature. At the other end, migration is largely voluntary, although shaped by their limited choices.
The NCRL has recognized the existence of this continuum for poor migrants by distinguishing between rural labour migration for survival and for subsistence. The landless poor, who mostly belong to lower caste, indigenous communities, from economically backward regions, migrate for survival and constitute a significant proportion of seasonal labour flow. The growth of intensive agriculture and commercialization of agriculture since the late 1960s has led to peak periods of labour demand, often also coinciding with a decline in local labour deployment. In the case of labour flows to the rice producing belt of West Bengal, wage differentials between the source and destination have been considered as the main reason for migration. Moreover, absence of non-farm employment, low agricultural production has resulted in a growth of seasonal migration Factors such as age, education level, wealth, land owned, productivity and job opportunities influence the participation of individuals and households in migration, but so do social attitudes and supporting social networks.

In Dhule region (Maharashtra) sugarcane cultivation leads to high demand for labour, but landowners recruit labourers from other districts for harvesting as they can have effective control over the labour. Local labourers are thus forced to migrate with their households to South Gujarat. In Kerala, trawler-fishing has depleted marine resources. With unemployment in other industries like cashew and rubber, this has led to large scale out-migration of girls.

3. THE IMPACT OF MIGRATION
3.1. On Migrants and their Families
Poorer migrant workers have few entitlements vis a vis their employers or the public authorities in the destination areas. They have meager personal assets and suffer from deprivations in the destination areas. In the source areas, migration has both negative and positive consequences for migrants and their families. Although migration gives higher wage/salary to migrants, difference in living standard and adverse impacts on health, education and family members would have a depressing effect on migrant’s well-being. So the conclusion is, in some sense, ambiguous.

3.2. On Living Conditions Migrant Labourers
Whether agricultural or nonagricultural, live in terrible conditions. There is no provision of safe drinking water or hygienic sanitation. Most live in open spaces or makeshift shelters in spite of the Contract Labour Act which stipulates that the contractor or employer should provide suitable accommodation. Apart from seasonal workers, workers who migrate to the cities for job live in parks and pavements. Slum dwellers, who are mostly migrants, stay in deplorable conditions, with inadequate water and bad drainage. Food costs more for migrant workers who are not able to obtain temporary ration cards.

3.3. On Health and Education
Labourers working in harsh circumstances and living in unhygienic conditions suffer from serious occupational health problems and are vulnerable to disease. Those working in quarries, construction sites and mines suffer from various health hazards, mostly lung diseases. As the employer does not follow safety measures, accidents are quite frequent. Migrants cannot access various health and family care programmes due to their temporary status. Free public health care facilities and programmes are not accessible to them. For women workers, there is no provision of maternity leave, forcing them to resume work almost immediately after child birth. Workers, particularly those working in tile factories and brick kilns suffer from occupational health hazards such as body ache, sunstroke and skin irritation.
As there are no nursery school facilities, children often accompany their families to the workplace to be exposed to health hazards.

They are also deprived of education: the schooling system at home does not take into account their migration pattern and their temporary status in the destination areas does not make them eligible for schooling there. In the case of male-only migration, the absence of men adds to material and psychological insecurity, leading to pressures and negotiations with wider family (Rogaly et al. 2001; 2002). Male out-migration has been seen to influence the participation of women in the directly productive sphere of the economy as workers and decision-makers and increase the level of their interaction with the outside world. But given the patriarchal set up, women may have to cope with a number of problems which are exacerbated due to the uncertainty of the timing and magnitude of remittances on which the precarious household economy depends. This, in turn, pushes women and children from poor labouring households to participate in the labour market under adverse conditions. Thus, the impact of migration on the women can be two-sided but the strong influence of patriarchy restricts the scope of women’s autonomy. The impact of male migration can be especially adverse for girls, who often have to bear additional domestic responsibilities and take care of younger siblings. The absence of male supervision further reduces their chances of acquiring education. There are several cases where women participate in the migration streams along with male members of their households. It is usual in such cases for younger siblings and older children to accompany their parents and to work along with them. Family migration usually implies migration of the younger members of the family, leaving the elderly to cope with additional responsibilities while at the same time fend for their subsistence and other basic requirements (Mosse et al. 1997). On Source Areas The major impacts of migration on source areas occur through changes in the labour market, income and assets, changes in the pattern of expenditure and investment. Although seasonal outmigration potentially has the effect of smoothing out employment over the annual cycle, rural outmigration could cause a tightening of the labour market in some circumstances. However, empirical evidence from out-migrant areas does not often attest to this. This may be because out-migration often takes place in labour surplus situations. There is also evidence of the replacement of out-migrant male labour by female and even child labour.

On Remittances and Effect on Sending Areas While the impact of out-migration via the labour market has been reviewed above, the other source of changes which need to be analyzed would work through changes in income, income distribution and the pattern of expenditure and investment. Although we do not have direct evidence of the value of remittances from migrants, some indirect evidence can be adduced from the NSS surveys on migration and consumption and employment/unemployment. These surveys give the percentage of out-migrants making remittances and households receiving remittances and depending upon remittances as their major source of livelihood. In 1992–93, 89% of permanent out-migrants sent remittances. The percentage of all rural households receiving remittance income is also fairly high – in some regions of the country, one-quarter to one-third of the households receive remittances. It should be noted that remittances are only one form in which resource flows occur as a result of migration, the other being savings brought home by migrants in cash or kind. Field studies show that a majority of seasonal migrants either remit or bring home savings. In many cases, a substantial proportion of household cash income is attributed to migrant earnings. However, the cash incomes which accrue may not always add to the resource base of migrant households as some are used to adjust earlier debts. However, it does appear that the income and consumption level of migrant households is generally higher than that of similarly placed non-migrants. As Mosse et al. (2002) have noted, and as other studies testify, migrants are not only differentially placed at the entry point, their differential status also leads to different trajectories, so that changes in post-migration average incomes may provide only a limited picture of the varied
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setoff changes. (Rogaly et al. 2001) provides some evidence of improvement in incomes of seasonal migrants as a result of migration, but these conclusions need to be supported by other studies. The impact of migration on income and asset inequality is limited. The ethnographical study quoted above suggest that these inequalities increase because the differentiated nature of the migration process led to the amplification of income and asset inequalities. Remittances are mainly used for purposes like consumption, repayment of loans and meeting other social obligations. These constitute, in effect the ‘first charge’ on migrant incomes. The evidence on investment is, however, mixed. Investment by migrant households on housing, land and consumer durables is common and migrant income is also used to finance working capital requirements in agriculture. Evidence of other productive farm or non-farm investment is scarce but a number of studies do report such investment by a small percentage of migrant and return migrant households. A major linked issue is the role of rural outmigration in the material and social reproduction of rural households and the extant relationships in which they are placed. Standing has argued that circulatory migration in particular contributes to the stability of rural production relations. He argues that circulatory labour migrations has ‘safety valve’ features and ‘has often been a mechanism preserving a social mode of production or at least reducing the pressures on it’. Temporary migration may allow households to relieve underemployment and meet debt and other obligations without having to sell assets. ‘Relay migration’ can also be seen as a part of the household survival strategy. Indeed the long history of rural out-migration in some of the source areas in India combined with agricultural and rural stagnation seems to confirm the stabilizing role of out-migration. But labour circulation as well as other forms of rural outmigration can also disrupt pre-existing production relations. The major impact on source areas appears to be through the labour market, with recent evidence indicating greater mobility of rural labour households leading to a less isolated and more generalized agriculture labour market and an upward pressure on wages. Further there is also evidence of some impact through improvement in the resource base of the migrant households. On Destination Areas There are clearly multiple rationales for the use of migrant labour in destination areas. While shortages of local labour provides one important rationale virtually all available evidence shows that recruitment of immigrants is as much motivated by strategies of labour control and wage cost reduction. Numerous cases have been documented where the same areas export and import labour to identical sectors. Migrants are preferred because their labour is easier to control and it is easier to extract labour from them under difficult conditions. Moreover, the supply of labour can be easily increased or decreased with little cost to employers and migrants can work for long and flexible hours. Flexibility of the migrant workforce is reinforced because of the role of contractors and middlemen in recruitment and supervision. The segmentation of the labour market, which also leads to greater control over both migrant and local labour, is another outcome of the process. Finally, the wage payment systems which grow around industries based predominantly on migrant labour are eminently suited to sidestepping minimum wage legislation. Thus migration reduces labour cost to employers. The labour market outcomes generated by labour immigration facilitate a certain kind of growth and accumulation in the destination areas, although this is via what can be described as a ‘low road’ to capitalism. According to Breman (1996) the basic rationale for the growing informalization, two-way mobility of labour and segmentation is to be found in the type of mercantilist capitalist development witnessed in India, just as international migration is strongly related to the structure of international capitalism Capitalists operate in uncertain markets, under circumstances in which they are highly dependent on traders. Labour immigration is one of the strategies favored by entrepreneurs to shift both risk and cost of production on to workers. Another reason for continued informalization is to keep businesses away from state surveillance. Thus most enterprises in the informal sector escape regulation of any kind.
Furthermore, in such destination areas, employers rarely provide anything other than wage subsistence requirements. Migrant labourers have to fend for themselves to meet their health, shelter and other basic requirements. Although the poor condition in which labourers subsist is a result of employers not internalizing the legitimate costs of hiring labour, to society the resulting urban congestion appears to be population concentration in large cities. The social, political and other consequences of immigration, especially where such migration is by linguistically, ethnically or regionally distinct groups, has not been considered in the growing economic literature on internal migration, but figures prominently in the body of sociological and political literature result of unplanned mobility. The costs of population mobility have been, as a result, considered in theory in the context of large costs imposed by population concentration in large cities. The social, political and other consequences of immigration, especially where such migration is by linguistically, ethnically or regionally distinct groups, has not been considered in the growing economic literature on internal migration, but figures prominently in the body of sociological and political literature.

4. CONCLUSION

The paper takes up an important socio-economic and political issue – labour migration. This issue is somewhat neglected in the economic literature in the sense that there are many areas which remain unexplored as compared to other socio-economiccultural and political issues. Hence the paper attempts to present in a nutshell trends of labour migration in India, its causes and impacts. We feel that it would be of great help to the researchers in conducting research in the areas left unexplored by the literature. Between 1971 and 1991, the migration rate has declined both for male and female. But we find an increase in such rate in the last decade of 90s. The reason for such trend is the rapid development and expansion of the informal sector which absorbed a large number of workers from the rural areas. This implies labourers were casualized. The rate of male migration for work has declined since the 90s and the corresponding rate has gone up for females. The reason behind such phenomenon is the introduction and implementation of NREGA in different states. In terms of duration, short duration in-migration exhibits a declining trend. The out-migrants migrating for short duration were mostly from rural areas and majority of them were males. Lastly, the trend analysis shows that a high proportion of male migrate over a long distance and they are rural to urban in nature. On the contrary, females generally migrate over a short distance and it is rural to rural in nature. The reason behind such short distance migration has been marriage. The paper observes that uneven development has been the predominant driving force behind labour migration. Besides, disparities in socio-economic conditions, wage differentials and disparities in the development policies also induce individuals to migrate. Moreover, two factors, identified as ‘push’ and ‘pull’ factors, operate either simultaneously or in isolation to generate migration flow. If an individual migrate to attain improved standard of living by getting high wage/salary then it is called migration due to ‘pull’ factor. On the other hand, individuals often migrate to repay the old debt at source area, which is called ‘push’ factor. Finally, the paper discusses the probable impact of labour migration on the migrant, his/her family members and on the source and destination areas. We conclude that migration has miserable impact on the living standard of migrants, their family members and they are deprived of health, education and other essential public services and basic amenities like hygiene, drinking water and so on. The remittances sent by the migrant back home is often used to repay outstanding debts and support increased consumption

*NOTES

The authors declare no competing financial interest.
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