

Labour Migration in India: Trends, Determinants and Socio-Economic Implications

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Abstract

Labour migration plays a significant role in the economic development of many nations. In India, migration has emerged as an important socio-economic phenomenon influenced by factors such as employment opportunities, wage differentials, marriage, demographic changes, and regional disparities in economic development. The present paper examines the major trends and patterns of labour migration in India, along with its underlying causes and socio-economic implications, based on an extensive review of the existing literature. A critical assessment of previous studies indicates that, despite the growing significance of labour migration, several dimensions of the phenomenon remain inadequately explored. In particular, the relationship between regional migration, informal labour markets, wage disparities, demographic characteristics, and marriage-related migration requires greater scholarly attention. The review also highlights significant gaps in the existing body of knowledge and suggests the need for more comprehensive and region-specific empirical investigations. Therefore, the paper provides a useful foundation and direction for future research on labour migration in India and its implications for economic and social development.

Keywords: Labour Migration, Regional Migration, Marriage, Wage Differentials, Informal Labour Markets, Demographic Trends.

I. INTRODUCTION

Every economy faces a variety of economic problems, some of which may arise from external factors, while others are internal in nature. Among the major internal economic problems, unemployment assumes considerable importance in both economic theory and public policy. Employment provides individuals with a regular source of income and enables them to meet their basic needs, improve their

purchasing power, and attain a better standard of living. When individuals are unable to obtain suitable employment in their place of residence, they may decide to move to another region in search of better employment opportunities. This movement of workers from one geographical area to another in search of employment is generally referred to as labour migration. Migration may broadly be defined as the movement of people from one geographical area to another, generally involving the crossing of administrative or territorial boundaries and a change in place of residence. Differences in economic development, employment opportunities, wages, and living standards between regions are important factors influencing migration decisions. Individuals are generally more likely to move from regions where employment opportunities are limited to regions where the prospects of obtaining employment are relatively better. Migration can broadly be classified into two categories: internal migration, which occurs within the boundaries of a country, and international or external migration, which involves movement from one country to another. In many developing economies, internal migration constitutes a particularly important component of labour mobility. One of the principal reasons for labour migration is the search for employment. However, migration may occur even when employment opportunities are relatively similar across regions. In such circumstances, differences in wage rates can influence the direction of migration. Workers tend to move from relatively low-wage regions to regions offering higher wages. The continuous movement of labour from low-wage to high-wage regions increases the supply of labour in the destination region and may consequently exert downward pressure on wages. Conversely, the reduction in labour supply in the source region may place upward pressure on wages. This process can contribute to a reduction in inter-regional wage differentials and is commonly associated with the concept of wage convergence. However, whether migration actually results in complete convergence between regions remains a subject of considerable theoretical and empirical debate. Migration decisions are also influenced by uncertainty regarding employment in the destination region. Migrants may face competition from existing workers and other migrants when searching for employment. Consequently, individuals do not necessarily compare only the prevailing wage rates in the two regions. Instead, they may consider the probability of obtaining employment and calculate the expected income associated with migration. An individual is more likely to migrate when the expected income from employment in the destination region, after considering the probability of securing a job and the associated costs of migration, is greater than the income available in the place of origin. The extent of labour migration also has important implications for the economic growth and development of both source and destination regions.

Traditional theories of economic development have emphasized the role of labour mobility in transferring surplus labour from low-productivity sectors to more productive sectors of the economy. The Lewis model of economic development (1954) argues that surplus labour can move from the traditional subsistence sector to the modern industrial sector. The expansion of the modern sector generates profits and facilitates capital accumulation when such profits are reinvested in productive activities. Thus, the transfer of surplus labour from the traditional sector to the modern sector can contribute to structural transformation and economic development. However, identifying the existence and magnitude of surplus labour in the subsistence sector remains an important empirical challenge. These theoretical perspectives suggest that labour migration can contribute to the economic growth of destination regions by supplying labour to sectors experiencing labour shortages. However, this process may not necessarily eliminate regional disparities. While migration may contribute to the convergence of wages between regions, differences in productivity, investment, infrastructure, employment opportunities, and capital accumulation may continue to generate disparities in regional development. Consequently, wage convergence and convergence in overall economic development should not necessarily be treated as identical processes.

The informal sector plays a significant role in absorbing migrant labour, particularly in developing economies. Informal employment opportunities are widely distributed across both rural and urban areas and often have relatively lower entry barriers than formal employment. Migrants, especially those with limited education, skills, financial resources, or social networks, frequently enter the labour market through informal employment. Although the informal sector provides important employment opportunities, it may also be characterized by low wages, employment insecurity, inadequate working conditions, limited social protection, and the absence of formal labour rights. These conditions can adversely affect the economic and social well-being of migrant workers. In contrast, formal employment generally provides relatively better working conditions, greater employment protection, and access to social security benefits. However, access to formal employment is often more difficult for unskilled and less-educated migrants. The process of globalization and structural transformation has also increased the demand for skilled and educated workers in several sectors. At the same time, many industries continue to depend on low-cost, flexible, and easily replaceable labour. This has resulted in a dualistic labour market in which highly skilled workers and low-skilled migrant workers coexist under substantially different employment conditions. In several cases, poor workers migrating from

rural to urban areas obtain employment through intermediaries, contractors, labour agents, or informal networks. While such intermediaries can facilitate access to employment, excessive dependence on them may also expose vulnerable workers to exploitation, wage deductions, excessive working hours, and poor working conditions. Migrant workers may have limited bargaining power and inadequate knowledge of their legal rights, thereby increasing their vulnerability to various forms of labour exploitation. Migration also generates important economic benefits for the households and communities of migrant workers. Migrants often send a portion of their earnings to their families in the place of origin in the form of remittances. These transfers can contribute to household consumption, education, healthcare, housing, debt repayment, and investment in productive activities. Migrant savings and remittances can therefore contribute to improvements in the standard of living of households in source regions. At the same time, the large-scale movement of workers can influence the demographic, social, cultural, and economic structure of both source and destination regions.

The process of economic liberalization and globalization has significantly transformed labour markets. Labour markets have become increasingly flexible, while employment relationships in several sectors have become more informal and temporary. Economic growth has generated demand for different categories of labour at both national and global levels. On the one hand, there has been a substantial increase in demand for highly skilled and specialized workers. On the other hand, many sectors continue to require large numbers of low-skilled, low-paid, flexible, and easily mobile workers. The resulting demand for labour has contributed to increased worker mobility across regions and sectors. The contemporary migrant workforce therefore exhibits a highly dualistic character. At one end of the labour market, skilled professionals experience increased opportunities for national and international mobility, often accompanied by higher wages and better employment conditions. At the other end, low-skilled workers are frequently recruited through casualized, temporary, contractual, seasonal, or migrant labour arrangements. In some cases, capital-intensive and labour-intensive production systems rely heavily on inexpensive migrant labour to reduce production costs. In this context, labour migration should not be viewed merely as a response to unemployment or wage differentials. It is a complex socio-economic process influenced by employment opportunities, income disparities, demographic factors, social networks, education, skills, household conditions, regional development, and labour-market institutions. The movement of labour can generate economic benefits through improved employment opportunities, remittances, skill acquisition, and efficient allocation of labour. Nevertheless, migrants may also face significant challenges relating to employment insecurity,

inadequate housing, poor working conditions, lack of social security, discrimination, and exploitation.

Labour Migration in India

Movement from one area to another in pursuit of better living standards is an integral aspect of human behavior. Certain regions and industries struggle to sustain their populations while others progress, prompting individuals to relocate in order to seize these emerging prospects. Various factors contribute to regional disparity. Some of these are rooted in natural circumstances, while others are the result of human action. It is to be expected that investors will prefer to channel resources into already developed areas. The process of industrialization widens the divide between urban and rural locations, driving shifts in the workforce towards regions experiencing industrial growth. There is extensive discussion regarding the reasons behind population relocations, ranging from those that focus on individual decision-making and family dynamics to those that refer to the systemic rationale of capitalist evolution (de Haan and Rogaly, 2002). In addition, countless research efforts indicate that social, cultural, and economic influences play a significant role in the migration process, leading to diverse outcomes for men and women, various groups, and distinct locales. The initial instances of migration were largely driven by agro-ecological factors linked to population increases, newly established settlements, or military conquests (Eaton, 1984). A wealth of evidence exists concerning migration trends during the colonial era. The expatriation of Indians was partly a result of the abolition of slavery and the subsequent need for substitute labor. This transition was facilitated by indentured contracts, in which individuals committed to a specified duration of work, typically between four to seven years, in exchange for covering their travel expenses. They migrated to British, Dutch, and French colonies to serve on sugar plantations and eventually to tea and rubber estates in Southeast Asia (Tinker, 1974). Concurrently, internal labor demands grew with the expansion of tea, coffee, and rubber plantations, coal mining, and later modern industries. However, as these workers established themselves, they provided a pathway for additional migrants, with numbers increasing to meet international demand. Urban centers such as Kolkata and Mumbai drew in rural laborers predominantly from labor-producing regions like Bihar, Uttar Pradesh, and Odisha in the east, as well as Andhra Pradesh, Tamil Nadu, and parts of Kerala and Karnataka in the south (NCRL, 1991; Joshi and Joshi, 1976; Dasgupta, 1987).

Trends and Patterns of Internal Migration by Dimensions

The primary data sources for assessing population movement in India include the Census and the National Sample Survey, also known as the NSS. These

surveys might not capture the full extent of migration flows, including temporary, seasonal, and circular migrations, due to both practical and theoretical challenges. Additionally, the data on migration pertains to general population movement rather than specifically to labor movement. However, economic migration theories predominantly focus on labor migration, making it challenging to distinguish between the two. This difficulty arises because both surveys characterize 'migrants' based on changes from their initial location and alterations in their last usual residences. Such definitions do not always link migration to employment. Moreover, migration analyses typically provide only the principal reason for migration at the moment it occurs. Secondary economic factors may be overlooked, particularly in cases involving married women who might cite alternative reasons for their relocation. Another complication is that migration statistics reveal the population of migrants rather than the actual migration flows.

Migration for Work

The primary reason behind migration serves as a crucial indicator of how labor market conditions impact mobility. According to data from the 1991 census, among the 27.4% of individuals who relocated, 8.8% did so for job-related reasons, while 2.3% moved for business-related motives. The percentage of males migrating due to economic factors was greater (27.8% for job purposes and 7.1% for business), compared to females (only 1.8% relocated for work and 0.5% for business). Among long-distance movers, the proportion migrating for economic purposes is notably elevated. A majority of male migrants transitioning between states attributed their moves primarily to economic reasons. Additionally, economic factors play a more significant role in urban migration patterns, particularly for men. While 49% of male migrants were situated in urban locales, a notable 69.2% of these individuals migrated for job opportunities (Srivastava, 1998). Distinct regional variations also manifest in the employment patterns of migrants. In regions such as the north-eastern states and others, a majority of migrants find employment in the tertiary and secondary sectors. In contrast, the primary sector tends to attract most migrants in other areas. An examination of the job distribution among migrant workers, excluding farmers and agricultural laborers, indicates that 43% of male workers are engaged in production-related occupations. A considerable portion of men in the tertiary sector serves as sales personnel, with clerical jobs following closely behind. The western states show a significant number of male migrants involved in secondary sector activities, whereas in the southern and north-eastern states, they predominantly participate in the tertiary sector. For female migrant workers, 40% are engaged in roles related to production, and a significant portion is involved in technical and professional capacities.

Causes of Migration

Given the varied nature of migration in India, the reasons for it are bound to differ. Migration is shaped by both developmental frameworks and the societal structure. The National Commission on Rural Labour indicated that the primary reason for seasonal migration is uneven development. Factors such as regional inequalities, disparities among different economic classes, and the policies of expansion implemented since independence have contributed to the increase in seasonal migration. Most studies on migration distinguish between 'pull' and 'push' factors, which do not function independently. Movement happens when workers in their home areas face a lack of appropriate job opportunities and means of survival, along with a hope for better conditions through migration. The necessary improvements may include access to better job prospects or increased wages, as well as the augmentation of family employment or stabilization of work, income, and consumption throughout the year. This situation is referred to as the 'pull' factor that motivates individuals to migrate. At one extreme of the migration spectrum, laborers may find themselves caught in a cycle of debt and migration, where the money earned from migrating is utilized to settle debts incurred either at home or in the destination areas, thus reinforcing the cycle of migration. This scenario is characterized as the 'push' factor in existing literature. Conversely, migration is frequently unpaid, although it is propelled by a lack of options.

The Impact of Migration

Migrants and their Families

Poorer migrant workers have few rights vis their employers or the public establishments in the destination areas. They have inadequate personal assets and suffer from lacks in the destination areas. In the source areas, migration has both negative and positive significances for migrants and their families. Though migration gives higher wage and salary to migrants, difference in living standard and contrasting impacts on health, education and family members would have a miserable effect on migrants' well-being. So, the conclusion is, in some sense, vague.

Living Conditions Migrant Labour's

Whether agricultural or non-agricultural, live in terrible situations. There is no facility of safe drinking water or hygienic cleanliness. Most live in open spaces or temporary shelters in spite of the Contract Labour. Act which specifies that the contractor or employer should offer suitable accommodation. Apart from regular workers, workers who migrate to the cities for job live in parks and roadways. Slum dwellers, who are mostly migrants, stay in disgraceful conditions, with insufficient water and bad drainage. Food costs more for migrant workers who are not able to

obtain temporary ration cards.

Health and Education

Labourers working in exact conditions and living in unhygienic conditions suffer from serious occupational health problems and are susceptible to disease. Those working in mines, construction sites and mines suffer from various health dangers, mostly lung diseases. As the employer does not follow security measures, accidents are quite frequent. Migrants cannot admit to various health and family care programmes due to their temporary status. Free public health care amenities and programmes are not near to them. For women workers, there is no provision of motherhood leave, forcing them to resume work almost directly after childbirth. Workers, predominantly those working in tile factories and brick ovens, suffer from occupational health hazards such as body ache, sunstroke and skin irritation. As there are no nursery school facilities, children often attend their families to the workplace to be exposed to health hazards. They are also disadvantaged of education: the schooling system at home does not take into account their migration pattern and their provisional status in the terminus areas does not make them entitled for schooling there in the case of male-only migration, the absence of men adds to material and psychological insecurity, leading to pressures and discussions with wider family (Rogaly et al. 2001; 2002). Male outmigration has been seen to affect the participation of women in the directly productive compass of the economy as workers and decisionmakers and increase the level of their communication with the outside world. But given the patriarchal set up, women may have to manage with a number of problems which are worsened due to the uncertainty of the timing and magnitude of payments on which the risky household economy depends. This, in turn, forces women and children from poor laboring households to participate in the labour market under opposing conditions. Thus, the influence of migration on the women can be two-sided but the strong effect of patriarchy restricts the scope of women's independence. The impact of male migration can be especially opposing for girls, who often have to bear extra domestic responsibilities and take care of younger siblings. The absence of male management further reduces their chances of getting education. There are some cases where women participate in the migration streams sideways with male members of their households. It is usual in such cases for younger siblings and older children to attend to their parents and to work along with them. Family migration usually suggests migration of the younger members of the family, leaving the elderly to cope with extra responsibilities while at the same time fending for their maintenance and other basic supplies (Mosse et al. 1997). On Source Areas The major influences of migration on source areas happen through changes in the labour market, income and assets, changes in the pattern of expenditure and

investment. Though seasonal outmigration potentially has the effect of smoothing out employment over the annual cycle, rural outmigration could cause a constriction of the labour market in some conditions. However, empirical indication from out-migrant areas does not often attest to this. This may be because out-migration often takes place in labour surplus circumstances. There is also indication of the replacement of out-migrant male labour by female and even child labour. On Payments and Effect on Sending Areas While the influence of outmigration via the labour market has been reviewed above, the other source of changes which are essential to be analyzed would work through changes in income, income supply and the pattern of expenditure and investment. Although we do not have direct indication of the value of remittances from migrants, some indirect evidence can be added from the NSS surveys on migration and consumption and employment and unemployment. These surveys give the percentage of out-migrants making payments and households receiving payments and depending upon remittances as their major source of livelihood.

II. CONCLUSION

The paper takes up a significant socio-economic and political issue of labour migration. This issue is somewhat deserted in the economic works in the sense that there are many areas which remain unexplored as compared to other socio-economic cultural and radical issues. Hence the paper efforts to present in a casing trend of labour migration in India, its causes and impacts. We think that it would be of great help to the researchers in leading research in areas left unexplored by literature. Among 1971 and 1991, the migration rate has failed both for male and female. But we treasure an increase in such rate in the last decade of 90s. The reason for such trend is the rapid growth and expansion of the informal sector which engrossed a large number of workers from rural areas. This suggests labourers were casualized. The rate of male migration for work has declined since the 90s and the consistent rate has gone up for females. The reason behind such wonder is the introduction and employment of NREGA in different states. In terms of duration, short duration in-migration exhibitions show a declining trend. The out-migrants migrating for short duration were frequently from rural areas and majority of them were males. Lastly, the trend analysis shows that a high quantity of male migrates over a long distance, and they are rural to urban in nature. On the conflicting, females generally migrate over a short distance, and it is rural to rural in nature. The reason behindhand such short distance migration has been marriage. The paper perceives that uneven development has been the predominant heavy force behind labour migration. Besides, inequalities in socio-economic conditions, wage differentials and inequalities in the development policies also induce

individuals to migrate. Besides, two factors, recognized as ‘push’ and ‘pull’ factors, operate either simultaneously or in isolation to make migration flow. If an individual migrates to attain improved standard of living by receiving high wages and salary, then it is called migration due to ‘pull’ factor. On the other hand, individuals often travel to repay the old debt at source area, which is called ‘push’ factor. Finally, the paper discusses the possible impact of labour migration on the migrant, his and her family members and on the source and terminus areas. We conclude that migration has down impact on the living standard of migrants, their family members and they are poor of health, education and other essential public services and basic facilities like hygiene, drinking water and so on. The payments sent by the migrant back home is often used to repay unsettled debts and sustenance increased consumption.

III. REFERENCES

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