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Original Research Paper

Migration and its Impact in India Some Analytical Issues

Economics

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ABSTRACT

This paper deals with internal and international migration, both of which are large-scale with impacts on economic growth and poverty reduction in many regions of the country. In some parts of India, three out of four households include a migrant. However despite the large scale of migration in absolute numbers of people involved and India's long history of population and labour mobility, labour migration has rarely been reliably studied. Labour migration is complex. Streams differ in duration, origin, destination and migrant characteristics. Economic and social impacts on migrants and their families are variable. Migration often involves longer working hours, poor living and working conditions, social isolation and poor access to basic amenities. At destination, migrant labour affects markets, lowering the cost of labour. Migration also affects the labour market at the place of origin. Migrant earnings affect income, expenditure patterns and investment and changes relations at household and community levels. While there seems to be some positive impact on incomes and investment, the major function of migration is to act as a 'safety valve' in poor areas. The impact on asset and income inequality is more mixed.

INTRODUCTION

In some regions of India, three out of four households include a migrant. The effects of migration on individuals, households and regions add up to a significant impact on the national economy and society. Despite the numbers, not much is written on migration within or from India and its considerable costs and returns remain outside of the public policy realm. This paper reviews key issues relating to internal and external labour migration in India. It analyses the patterns, trends and nature of labour migration, reviews existing government and non-governmental policies and programmes, and briefly examines key policy issues and options.

This paper relies mainly on existing data, but also draws on some new analysis of secondary data. The study benefited from insights gained at a stakeholder workshop involving staff from grassroots programmes of both governmental and non-governmental agencies. Key policy makers were also interviewed in order both to gain an understanding of current government concerns and to validate our findings.

MIGRATION IN INDUSTRIALISED COUNTRIES

Migration to industrialised countries grew steadily between 1950 and 2000. Nearly 1.25 million Indians immigrated to the US, Canada, UK and Australia during this period. Average annual flows to these destinations increased nearly five-fold between the 1950s and the 1990s.

Migration to the Middle East increased rapidly between the late1970s and early 1980s. In the mid-to late 1980s, however, the number of Indian workers migrating to the Middle East fell sharply. Labour migration increased substantially again during the 1990s. Today, some 3 million Indian migrants live in Gulf countries.

Most migrants come from Kerala, Tamil Nadu, Andhra Pradesh and Punjab. The current number of Indian migrants overseas accounts for less than 1% of the total workforce in India, so has little direct impact on the national labour market. However, the effects of migration are significant in major sending regions. In Kerala, for example, emigration has recently led to a considerable reduction in unemployment.

Remittances are the main benefit of external migration, providing scarce foreign exchange and scope for higher levels of savings and investments. Remittances over the past 30 years have financed much of India's balance of trade deficit and have thus reduced the current account deficit.

Four major categories of interventions can be envisaged, which will differ for internal and external migration. These categories relate to:

Addressing underdevelopment and improving the synergy between migration and

development;
Improving labour market outcomes;

Ensuring basic entitlements to migrant workers; and

Improving the social and political environment for migration.

It is useful to distinguish between 'permanent', 'semi-permanent' and 'temporary' migrants, based on how long they are away from their place of origin, the links they maintain, and the likelihood that they will return home. Temporary migrants are unlikely to stay away from their places of origin for more than a few months in a year. Since the central concern of this paper is the links between migration and poverty, we have focused on migration streams which involve poorer people in the section on internal migration.

Internal

The Ministry of Labour and the Departments of Labour, at state levels, are responsible for formulating and implementing measures to protect migrant workers. Certain existing labour laws aim to improve the conditions of migrant workers and prevent their exploitation. The important ones are: the Inter State Migrant Workmen (Regulation and Conditions of Service) Act, 1979; the Minimum Wages Act, 1948; the Contract Labour (Regulation and Abolition) Act, 1970; the Equal Remuneration Act, 1976; and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The enforcement of these laws is the responsibility of both the central and state governments. At the central level, the key agency is the office of the Chief Labour Commissioner and its field offices. However, the Directorate General of Labour Welfare

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and the Welfare Commissioners also deal with certain welfare provisions emanating from some of these enactments. In the states, the offices of the Labour Commissioners and their field offices are responsible for enforcing these laws. The organisational structure in the centre and states is shown in Chart 1 (Annex 3). Concerns of migrant labourers are also the responsibility of the relevant Social Sector Ministries (Health and Family Welfare, Human Resource Development, Food and Consumer Affairs, Urban Affairs, Social Justice). However, there are no separate departments in these ministries dealing exclusively with migrant labour. The Ministry of Home Affairs has the responsibility for immigration.

International

India regulates external labour migration flows, for which the 1983 Emigration Act provides the necessary legal framework. The office of the Protector of Emigrants, Ministry of Labour, is empowered by law to regulate the deployment of Indian nationals seeking foreign employment. The main objective of state intervention is to ensure that nationals obtain legally valid employment abroad under acceptable conditions. This is achieved mainly by setting minimum employment standards and verifying employment contracts; regulating recruitment through licensing the agents; issuing emigration clearances for certain categories of emigrants, especially those considered less able to protect their own interests; and handling public grievances related to violation of employment contracts and recruitment abuses.

Two other ministries concerned with the emigration of Indian workers are the Ministry of External Affairs (MEA) and Ministry of Home Affairs. Indian diplomatic missions abroad come under the MEA. They often have a labour attache posted to the mission, responsible for monitoring and reporting on the conditions of Indian nationals and liaising with host government authorities on matters such as employment conditions, welfare and repatriation of migrant labour. The MEA also addresses issues related to international migration during bilateral diplomatic negotiations, especially with major destination countries. The Immigration Department under the Ministry of Home Affairs is responsible for the control of exit of Indian nationals. The Police Department under the Ministry of Home Affairs is responsible for investigating complaints lodged on recruitment abuses in India.

The two main secondary sources of data on population mobility in India are the Census and the National Sample Survey (NSS). These surveys may underestimate some migration flows, such as temporary, seasonal and circulatory migration, both due to empirical and conceptual difficulties. Since such migration and commuting is predominantly employment oriented, the data underestimate the extent of labour mobility. Furthermore, migration data relate to population mobility and not worker mobility, although economic theories of migration are primarily about worker migration. It is not easy to disentangle these, firstly because definitions of migrants used in both surveys (change from birthplace and change in last usual place of residence), are not employment related. Secondly, migration surveys give only the main reason for migration, and that only at the time of migration. Secondary economic reasons could be masked, as in the case of married women, who would cite other reasons for movement. Another problem is that migration data relate to stocks of migrants and not to flows, although different policy concerns relate to stocks (of different ages) and flows. Many of these concerns can be handled only by micro surveys, which have their own problems.

Population mobility

In one view, population mobility in India is low (Davis, 1951; Kundu and Gupta, 1996). Migration statistics to the early 1990s also suggest a decline in mobility. In the 1991 census, using the change in residence concept, 27.4% of the population is considered to have migrated (that is, 232 million of the total 838 million persons), which shows a considerable decline from 30.6% in 1971 and 31.2% in 1981. This is true for male and female migrants. In the case of males, it declined from 18.1% in 1971 to 14.7% in 1991. In the case of females, it declined from 43.1% in 1971 to 41.6% in 1991. However, recent evidence based on NSS figures for 1992-1993 and 1999-2000, and indirectly supported by the census, suggests an increase in migration rates -from 24.7% to 26.6% over that period. This evidence suggests the proportion of migrants of both sexes, in both rural and urban areas, increased during the last decade of the 20th century.

Migration in India is predominantly short distance, with around 60% of migrants changing their residence within the district of enumeration and over 20% within the state of enumeration while the rest move across the state boundaries. A significant proportion of women migrates over short distances, mainly following marriage.

The proportion of male lifetime migrants is low in most poor states except Madhya Pradesh and high in most developed states. For inter-state migration, a similar trend is observed: developed states show high inter-state immigration while poor states, except Madhya Pradesh, show low rates of total and male immigration. Rates of interstate lifetime emigration are complementary to the above trends (Srivastava, 1998).

Based on place of last residence and on place of birth, migrants are generally classified into four migration streams. Rural areas are still the main destination for migrants, but urban destinations are more important for male migrants (49% of male migrants moved to urban destinations in 1991, compared to 29.5% female migrants). Between 1992-1993 and 1999-2000, NSS data indicate an increase in urban migration, but this is mainly due to urban-urban flows (Srivastava and Bhattacharya, 2002).

Migration for work

The primary motive for migration, recorded by the census as well as the NSS, is an important indicator of how mobility is influenced by conditions of the labour market. Of the 27.4% who changed place of residence, as per 1991 census, 8.8% moved for employment reasons and 2.3% had business motives. The proportion moving due to economic motives was higher for males (27.8% moved for employment reasons, and 7.1% for business reasons), compared with females (only 1.8% moved for employment reasons and 0.5% for business reasons).

The proportion migrating for economic reasons is greater among long-distance migrants; most male migrants moving between states did so for economic reasons. Again, economic motives are more significant in urban migration streams, especially for males. While the share of inter-state to total migrants was only 11.8% in 1991, such migrants comprised 28% of all economic migrants. Similarly, while 49% of male migrants were in urban areas, 69.2% of such migrants migrated for employment (Srivastava, 1998).

CONCLUSION

A distinct regional variation emerges in the work pattern of migrants. In the northeastern states and some others, migrants are mainly employed in the tertiary and second-

ary sector of the economy. Elsewhere, the primary sector attracts the migrant most. An analysis of the occupational division of migrant workers (other than cultivators and agricultural labourers) shows that among males, 43% are engaged in production related work. In the tertiary sector, significant proportions of male migrants are engaged as sales workers, followed by clerical and related work. All the western states have a significant proportion of male migrants in secondary activity and in the southern and north-eastern states they are mainly engaged in the tertiary sector . In the case of female migrant workers, 40% are in production related works and a significant proportion are in technical and professional activity.