

## General Studies – 1; Topic: Population and associated issues

### Labour Mobility in India

#### 1) Introduction

- Labour or worker mobility is the geographical and occupational movement of workers.
- It is an important factor of production which affects growth and production.
- Historically, migration of people for work and education accompanies the structural transformation of economies, and has paved the way for the release of "surplus labour" from relatively low-productive agricultural activities to sectors enjoying higher productivity.
- According to census 2011 and NSSO, Migrants constituted about 30% of total working population.

#### 2) Trends and patterns in inter-state migration:

- Internal migration is a consequence of unequal regional development.
- High-levels of migration: This is evident from Census data which says about 5-6.5 million people migrated annually between states during 2001-2011.
- Workforce migration is observed as movement from less affluent states to more affluent states
- The largest immigration was at Delhi region, which accounted for more than half of migration in 2015-16, while Uttar Pradesh and Bihar taken together account for half of total out-migrants.
- Migrant flows between the states are lower than flows within states.
- In labour migration geographic distance appears to be an obstacle than the linguistic and cultural variability considered to be.
- Rewards (in the form of prospective income and employment opportunities) have become greater than the costs and risks that migration entails.
- Although permanent male migration is exceptionally low in India, women have always moved to a different village when they marry.
- Seasonal migration in India has been increasing over time.

#### 3) Impediments to worker mobility

- Impediments to mobility are divided into personal and systemic impediments.
- Personal impediments include physical location, and physical and mental ability.
- The systemic impediments include educational opportunities as well as various laws and political contrivances.
- National and regional differences in the qualifications necessary for different jobs
- A lack of standards for skills and vocations
- Discrimination based on origin, i.e. son of the soil doctrine.
- Discrimination based on social class
- Inadequate infrastructure and housing to accommodate fast-moving changes in labour demand
- Internal political borders impede the flow of people. This is reflected in the fact that, labour migrant flows within states are 4 times the labour migrant flows across states.
- The limitation of the temporary migration is that it will not fill the large number of jobs in which there is firm-specific learning and where firms will want to set permanent wage contracts.

#### 4) Benefits

- Increasing and maintaining a high level of labour mobility allows a more efficient allocation of resources.

- Labour mobility has proven to be a forceful driver of innovations.
- The resulting remittance flows increase household spending in the receiving regions and further the economic development of less-developed regions.
- Labour migration creates additional demand
- If there is free movement of labour, qualified workers will be attracted to fill vacancies making the economy more flexible and overcome shortages quicker.
- Can prevent wage inflation: If it is easier for labourers to enter a particular industry, the supply of labour will increase for a given demand, which will prevent excess wage inflation.

### 5) Way Forward

- While migration and associated surge in economy is plausible, the cost and risks associated with it should be considered by policymakers.
- Portability of food security benefits, healthcare, and a basic social security framework for the migrant are crucial
- Require interstate coordination of fiscal costs of migration.
- The domestic remittances market, estimated to exceed Rs. 1.5 lakh crores, can also be leveraged to enhance financial inclusion for migrant workers and their families in the source region.
- Rental housing allows greater labour mobility – the constraints to mobility are minimized as the access to rental housing increases.
- Mobility for members of the rural community to the city could be in the form of a group. Members of the group could help each other to find jobs at the destination.
- A key focus of policy intervention should be to improve synergy between migration and development.