



CH-12 - INDIA ON THE MOVE AND CHURNING: NEW EVIDENCE

I. Introduction and Main Findings

- Historically, migration of people for work and education has been a phenomenon that 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. The resulting remittance flows increase household spending in the receiving regions and further the economic development of less-developed regions.
- The pattern of flows of people found in this study are broadly consistent with popular conception - less affluent states see more people migrating out while the most affluent states are the largest recipients of migrants
- Three major findings:
 - First, India is increasingly on the move – and so are Indians. A new Cohort based Migration Metric (CMM)—shows that annually inter-state labour mobility averaged 5-6 million people between 2001 and 2011, yielding an inter-state migrant population of about 60 million and an inter-district migration as high as 80 million.
 - Second, migration is accelerating. In the period 2001-11, according to Census estimates, the annual rate of growth of labour migrants nearly doubled relative to the previous decade.
 - Third, and a potentially exciting finding, for which there is tentative not conclusive evidence, is that while internal political borders impede the flow of people, language does not seem to be a demonstrable barrier to the flow of people.
- Of course, all these interesting results throw up a deep puzzle as to why greater internal integration has not led to a narrowing of income and consumption gaps across states

II. Baseline Census Data: Migration Levels and Growth

- The growth rate of migrants rose spectacularly to 4.5 per cent per annum, while the workforce growth rate actually fell. Thus, the migrants’ share of the workforce rose substantially.
- A breakdown by gender reveals that the acceleration of migration was particularly pronounced for females.
- In the 1990s female migration was extremely limited, and migrants were shrinking as a share of the female workforce.
- But in the 2000s the picture turned around completely: female migration for work not only grew far more rapidly than the female workforce, but increased at nearly twice the rate of male migration.

III. Re-Estimating Migration: Two Time Periods, Two Data Sources, Two New Approaches

- This section presents two new approaches to estimating migration within India.
 - The first is based on comparing similar cohorts across the two census periods, 2001 and 2011.
 - The second is based on data on railway passenger traffic in the unreserved category for the period 2011-2016. Each is described in turn.

A. Cohort-based Migration Metric (CMM)

Migration Metric (CMM) is developed to gauge net migration at the state and district level. This metric considers net migration to be the percentage change in population between the 10-19 year-old cohort in an initial census period and the 20-29 year old cohort in the same area a decade later, after correcting for mortality effects. It is likely to capture labour migration, as other bilateral movements for reasons such as marriage are netted out in the equation

- Internal migration rates have dipped in Maharashtra and surged in Tamil Nadu and Kerala reflecting the growing pull of southern states in India's migration dynamics.
- Out-migration rates increased in Madhya Pradesh, Bihar and Uttar Pradesh and have dipped in Assam.
- Gurugram district, known for high in-migration, shows a jump of 29 per cent between 2001 and 2011 in the age cohort whereas Azamgarh district in eastern Uttar Pradesh, known for high out-migration, shows a reduction of 24 per cent
- There is a strong positive relationship between the CMM scores and per capita incomes at the state level. Relatively less developed states such as Bihar and Uttar Pradesh have high net outmigration.
- Relatively more developed states take positive CMM values reflecting net immigration: Goa, Delhi, Maharashtra, Gujarat, Tamil Nadu, Kerala and Karnataka.
- Districts with high net in-migration tend to be city-districts such as Gurugram, Delhi and Mumbai. Districts with high net outmigration are located in the major sending states such as Uttar Pradesh and Bihar.
- Another important development is the growing role of female migrants. Until the 2000s, migration was largely a male dominated phenomenon. But in the 2000s there was a marked shift in the distribution for females (indicating more outflows), indeed much more than the shift for males, consistent with the discussion in the section on Census data

B. Railway passenger data based migration metric

- The key idea is to use net annual flows of unreserved passenger travel as a proxy for work-related migrant flow. This class of travel serves less affluent people, who are more likely to travel for work-related reasons.
- It is also relatively unconstrained by capacity, hence reflecting the demand for travel, whereas reserved passenger traffic is more likely to be constrained by the supply of seats. The main findings are described below.

Magnitude and patterns of migration

- The largest recipient was the 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. Maharashtra, Goa and Tamil Nadu had major net in-migration, while Jharkhand and Madhya Pradesh had major net out-migration.
- The impact on migration activity on state labour supply is far more uniform. Out migration is a significant share of the working age population, both in the smaller states (Goa, Pondicherry, Nagaland, and Chandigarh) and largest states (UP, Bihar, Jharkhand and MP). For India as a whole the annual net flows amount to about 1 per cent of the working age population.
- In the largest interstate migration routes: States like Delhi, Maharashtra, Tamil Nadu, and Gujarat attract large swathes of migrants from the Hindi heartland of Uttar Pradesh, Bihar, and Madhya Pradesh.

- Kolkata in West Bengal attracts migrants from nearby states of Jharkhand, Uttar Pradesh, and Odisha
- There is an interesting dynamic between Gujarat and Maharashtra where Surat has started acting as a counter magnet region to Mumbai and attracts migrants from the neighboring districts of Maharashtra. Other counter magnet region dynamics are observed in Jaipur and Chandigarh (to Delhi).
- The net flows calculated using railway passenger traffic correctly identifies 40 of these 54 districts (75 per cent success rate). A similar exercise was done to match the out migrant and in migrant districts identified by the CMM measure in section II and those by railway passenger metric. The match was 89 percent (64 out of 72) for out migrants districts and 57 percent (13 out of 23) for the in migrant districts.

Formal analysis using a gravity model

- When the analysis is done at the level of inter-state flows, distance has a strong negative effect on labor flows. The impact is roughly twice as much as on flows of goods. This result is broadly identical when the analysis is done at the level of inter-district migration.
- There is a strong contiguity effect; even controlling for distance, states that share common borders see about 65 per cent more migration between them than states that do not share such a border.
- We find that there is a border effect in the sense that migrant flows between states are lower than flows within states. Our estimates suggest that on average flows within states are around four times the flows across states.
- We find little evidence that language is a barrier to the migration flows. When similar analyses are done internationally, there is a strong language effect, namely that countries with a common language see larger migrant flows.

IV. Conclusion

- An India on the move is an India of churn, as Dr. Ambedkar observed. These new estimates, showing that migration within India is between 5 and 9 million annually, indicate that labour mobility in India is much higher than has been previously estimated.
- The acceleration of migration was particularly pronounced for females and increased at nearly twice the rate of male migration in the 2000s.
- The patterns of migration observed conform to priors – less affluent states and districts evince higher out-migration, and rich metropolises attract large inward flows of labour. Over time, there has been a shift towards the southern states, reflecting the opening up of new migration corridors in recent years.
- Preliminary evidence in the gravity model study suggests the absence of language as a significant barrier in the migration of people – a finding that will surely allay the apprehensions of this country's founding fathers.
- This study predicts an increasing rate of growth of migrants over the years. The numbers show that internal migration has been rising over time, nearly doubling in the 2000s relative to the 1990s.
- One plausible hypothesis for this acceleration is that the rewards (in the form of prospective income and employment opportunities) have become greater than the costs and risks that migration entails. Higher growth and a multitude of economic opportunities could therefore have been the catalyst for such an acceleration of migration.
- This acceleration has taken place in the backdrop of discouraging incentives such as domicile provisions for working in different states, lack of portability of benefits, legal and other

- To sustain this churn, however, these policy hurdles have to be overcome. Portability of food security benefits, healthcare, and a basic social security framework for the migrant are crucial – potentially through an interstate self registration process.
- While there do currently exist multiple schemes that address migrant welfare, they are implemented at the state level, and hence require interstate coordination of fiscal costs of migration.
- The domestic remittances market, estimated to exceed Rs. 1.5 lakh crores¹⁶, can also be leveraged to enhance financial inclusion for migrant workers and their families in the source region. Such measures would vastly enhance the welfare gains of migration and encourage even greater integration of labour markets in India.