

# Integrating Systems Approach to Explore the Impact of Labour Migration in Holistic Development of India

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## Abstract

Labour migration is complex in nature as impact includes social as well as economic impacts on their families. It generally involves long working hours, limited access to basic amenities, poor living and working conditions, social isolation etc. Majority of the migrants come from Punjab, Tamilnadu, Kerala and Andhra Pradesh. International migration has also had considerable impacts on demographic structures, expenditure patterns, social structures and poverty levels. Impacts include reducing population growth; enhancing the dependency burden within households; increasing consumption expenditures and reducing poverty levels. In long run, such migration of labour indirectly creates impact on holistic development as consequences such as poor living and working condition, social isolation and limited access to basic amenities creates negative impact on holistic development. Therefore, this paper is an attempt to identify various other challenges and the possible solution to tackle these socio-economic vulnerabilities arising due to labour migration. To achieve the objectives, researchers have collected secondary data from various national and international journals, published reports, newspaper articles, books and websites. Researchers have applied relevant statistical and qualitative tools to analyse the collected data. Further, researchers have formed a replicable model with the help of system dynamics modelling so that this model can be applied to the other contexts.

**Keywords:** Labour migration, holistic development, social, economic and sustainable

## Introduction to Economic Slowdown

“In current scenario due to globalization the world is presently facing economic crisis due to which economics world over are considered to be entering into prolonged slowdown in economic activities. The intensity of present economic crisis is so high that is being compared with the global economic recession in 1873, great depression of 1930s and East Asian crisis of 1990s. The current economic slowdown is considered to be subprime mortgage crisis in the financial sector of United States.” Liberalization economic progress 1991 India opened up its economy to global players, share of exports, both goods and services, in GDP grew significantly. Indian economy also passed through these stages during the year 2008. The economic growth rate, which was above 8percent for consecutive period of three years since 2006, suddenly plunged to an average of 5.5percent. Developed world is under the fear that recession may not turn out to be continuous process resulting into great depression. Generally recessions are for two quarters, but depression is a severe economic downturn that lasts several years. Earlier India was affected less by external world depressions as it relied more on internal consumption, saving and import substitutions.

The effects of the global financial crisis have been more severe than initially forecast. By virtue of globalization, the moment of financial crisis hit the real economy and became a global economic crisis; it was rapidly transmitted to many developing countries. India too is weathering the negative impact of the crisis. There is, however, an important difference between the crisis in the advanced countries and the developments in India. While in the advanced countries the contagion traversed from the financial to the real sector, in India the slowdown in the real sector is affecting the financial sector, which in turn, has a second-order impact on the real sector. For instance we can assume a situation when GDP declines from 8 percent to 5 percent growth then it can be stated that an [economy](#) is experiencing a slowdown. Most analysts do not consider a slowdown to be a recession, but [unemployment](#) may rise and [productivity](#) may decline.

## Introduction to Holistic Development

With the passage of time, the concept of sustainability in holistic development, literature broadened in scope. The concept arose in response to economic growth models that characterized development approaches over the last half century. It was eventually recognized that such models did not adequately address social inequalities and led to environmental degradation. The concept gained wider use after the World Commission on Environment and Development published our common future (Brundtland, 1987).

Holistic development is a process of self-actualization and learning that combines an individual's mental, physical, social, emotional and spiritual growth. The holistic approach to learning is a transformation of one's frames of reference, rather than a system based on transmission and transaction. Labour migration can be treated as one of the major challenges because labour migration creates demand and supply gap related to the labour requirement for the local areas.

It further expands on the concept of programme sustainability by distinguishing among several factors that either contribute to or detract from the long-term impact of IFAD interventions (IFAD, 2006a):

- Political Sustainability – government commitment, an enabling policy environment, stakeholder interests, strong lobby groups and political influence/pressure;
- Social Sustainability – social support and acceptability, community commitment, social cohesion;
- Ownership Sustainability – whether or not communities, local government and households accept and own the outcomes of the project in ways that are sustainable;
- Institutional Sustainability – institutional support, policy implementation, staffing, recurrent budgets;

- Economic and Financial Sustainability – resilience to economic shocks, financial viability, reduced household vulnerability and increased capacity to cope with risk/shocks;
- Technical Sustainability – technical soundness, appropriate solutions, technical training for operations and maintenance, access to and cost of spare parts and repairs;
- Environmental Sustainability – projects’ positive/negative contributions to soil and water preservation and management, resilience to external environmental shocks.

## **Present state of Knowledge (Literature Review)**

### **Borjas, G. J. (1999), “Immigration and Welfare Magnets”**

This article investigates if the location choices made by immigrants when they arrive in the United States are influenced by the interstate dispersion in welfare benefits. Income-maximizing behaviour implies that foreign-born welfare recipients, unlike their native-born counterparts, may be clustered in the states that offer the highest benefits. The empirical analysis indicates that immigrant welfare recipients are indeed more heavily clustered in high-benefit states than the immigrants who do not receive welfare, or than natives. As a result, the welfare participation rate of immigrants is much more sensitive to changes in welfare benefits than that of natives.

He concluded that welfare programs attract immigrants. The choice of migrant’s destination correlates positively with the different levels of Welfare provisions in different states in the US.

### **Lusome, R., and Bhagat, R. B. (2006), “Trends and Patterns of Internal Migration in India, 1971-2001”**

In this study “Internal migration is now recognized as an important factor in influencing social and economic development, especially in developing countries. Indian censuses record that in 2001, 309 million persons were migrants based on place of last residence, which constitute about 30percent of the total population of the country. This is nearly double the number of internal migrants as recorded in the census of 1971 (159 million). This suggests that socio-economic changes in the last three decades have greatly affected the mobility of the population. This paper attempts to provide the trends and patterns of internal migration during 1971-2001 on the basis of census data for that period. Findings show that the composition of internal migration has changed over the years. Moreover, it is observed that the growth of internal migrants differs by sex as well as the streams of migration and the mobility of Indian population has significantly increased during the 1990s.

### **Lucas, R. E. (2008), “International Labour Migration in a Globalizing Economy”**

In this paper researcher analysed that although migration has expanded less rapidly than either trade or direct investment, migration has become increasingly contentious. The immediate labour market impacts on host countries appear small and dynamic gains from induced technical progress remain undocumented. Circular migration from low-income countries offers a key safety valve where the home state fails to provide employment and security, but there are dangers from over-dependence on the migration–remittance nexus. The least-developed countries benefit only through south–south migration and are probably harmed by a rapidly expanding brain drain.

## **Chowdhury, M.M. (2009), “Migration, Remittances and Competition in International Labour Market”**

In this study remittances are considered as an important component of GDP in many developing countries. In order to increase remittance inflows many countries are now actively involved in labour export and thereby competing with other labour exporting countries in the international market. In this paper we have conceptualised the competition by proposing a model where two countries export labour to a third country. The third country imposes differential tax rates on the income of foreign workers. We have explored the process of imposition of tax rates by importing country and found that tax burden is higher for the country with higher labour endowment.

### **RESEARCH GAP**

On a thorough analysis of all the international and national studies on migration and holistic rural development, it is evident that migration has become significant over the years and it has been visualized as a major challenge for holistic development. All the studies have identified variety of causes of migration and its related consequences on rural development. However, no study has been conducted to measure the impact of people migration during global economic slowdown.

### **Objective of the Study:**

Under the broader head of this study, researcher has outlined the following objectives:

1. To explore the various causes enabling migration as a major challenge for holistic development in selected states of India
2. To study the pattern and trends of migration in selected states of India
3. To develop a dynamic model for holistic rural development with proper concern on migration in India.

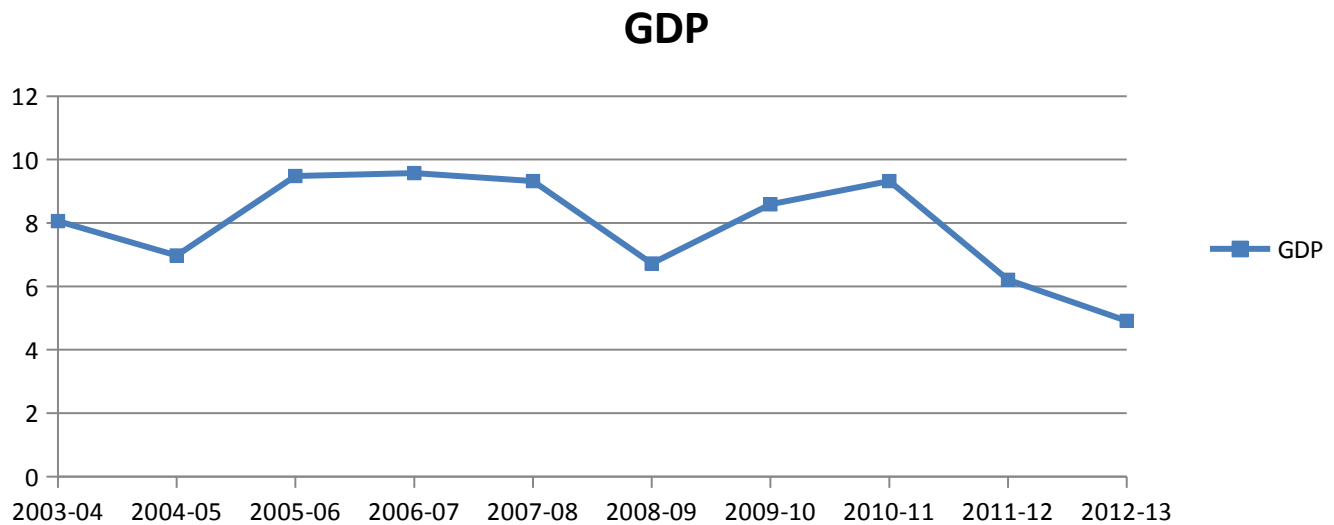
### **Research Design and Methodology:**

<b>Data:</b>	<b>Secondary</b>
<b>Data source:</b>	Research papers, Books, Periodicals, Journals and Government websites etc.
<b>Period of study:</b>	2003 to 2013 (10 years)
<b>Type of Research:</b>	Descriptive and exploratory research
<b>Area of Study:</b>	BIMARU States (Bihar, M.P, U.P, Rajasthan)
<b>Data Presentation</b>	Tables, Bar Graphs, Percentage and dynamic model

### **Patterns of Indian Economic Growth**

<b>Year</b>	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
<b>GDP Factor at cost constant</b>	8.06	6.97	9.48	9.57	9.32	6.72	8.59	9.32	6.21	4.91

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*(Source: Planning commission of India, 2013)*

## Migration and its Causes

Migration has been defined as crossing of the boundary of a legal, political and administrative unit for a certain minimum period of time. It includes the movement of people from one place to another place for hope of gaining advance opportunities, new high standard of living, jobs etc. According to classical theories, migration is a rational decision made by an individual or group of person to move from one undeveloped place to a developed place to gain new opportunities. In India or other countries migration pattern is not a new phenomenon. It is mostly influenced by uneven pattern of development and socio-economic structure. There are various reasons for migration and it may vary from country to country and over periods of time. In 1990's the employment situation in India has undergone certain structural transformations which have strong linkages to the changes in the macro - economic policies in the country during a period of liberalization, structural adjustment and economic reforms.

Unemployment is a major concern of most economics in the world in era of rapid globalization; structural reforms and the search for greater competitiveness are found to produce weak employment growth in the expanding sectors, as well as shedding of workers in the traditional industries. This low employment intensity of output growth has resulted in the swelling up of the category of unemployment. The unemployment situation in India represents typical characteristics of a low developed economy with low rates of open unemployment along with relatively high levels of poverty by which unemployed people moved from developed places where job opportunity is high.

Many factors influence to migration. India has high levels of regional and zonal inequality in terms of population distribution and development indicators like education and infrastructure conditions. Most of the states are very poor in education and infrastructure facilities. Specially BIMARU states conditions is very poor in terms of infrastructure and other developing facilities. Hence a large number of people migrant from these areas like Bihar and Uttar Pradesh, Madhya Pradesh, Rajasthan. It is reported that

during recent years there is high rate of internal migration in India, it is due to search for better employment and better education facilities.

## **Trend and Pattern of Migration in India - Overview**

Internal migration is very huge issue in India where many factors are influencing here like social and economical. India is geographically divided into 28 states and 7 union territories. According to census 2001, the total population of India is 1028 million consisting of 532 million males and 496 million females.

“According to 2001 Census about 30percent of the total population of the country where migrated from the last residence. This figure indicates an increase of around 37 percent from the census 1991. Among the total migrants 18percent are of male migration and 45percent are of female migration. 80percent of the total migrants where within the state and 13percent where inter-state migration.

Among the male migrants 79 percent moved within the state of enumeration while 21 percent moved between states. Among the female migrant 90 percent where intra-state migration and 10 percent where inter-state migrant.

Male migrants from rural to urban areas emerged as the most prominent accounting for 47percent. In census 2001, the reason behind the migration has been classified into seven broad groups like work/employment, business, education, marriage, moved at birth, moved with family and others.”

Migration streams (During last decade)

- ❖ Rural to rural migration within country – 53.3 million
- ❖ Rural to urban migration – 20.5 million
- ❖ Urban to rural migration – 6.2 million
- ❖ Urban to urban migration – 14.3 million

Migration profile of some important states (Duration 0 – 9 years)

- ❖ Uttar Pradesh (-2.6 million)
- ❖ Bihar (-1.7 million)

Uttar Pradesh and Bihar were the two states with largest number of net migrants migrating out of the state.

## **Legal Provision:**

The government of India made an enactment in 1979 of the “Inter-state Migrant Workmen (Regulation of Employment and condition of service) Act 1979”. Through the act covers only interstate migrant, it lays down that contractors must pay timely wages equal or higher than the minimum wages, providing suitable residential accommodation, prescribed medical facilities, protective clothing, notify accidents and casualties to specified authorities and kin. The Act provides for the right to raise industrial disputes in the provincial jurisdiction where they work or in their home province. The act sets penalties including imprisonment for non-compliance.

## **Migration Issues: Global Platforms**

### ***The Global Forum on Migration and Development (GFMD)***

The GFMD is a global dialogue on migration and development issues that occurs annually. There are currently 155 governments taking part in the process. They discuss the global implications of international migration and the mutually beneficial interaction between migration and development. The GFMD evolved out of the United Nations High Level Dialogue on International Migration and Development in 2006.

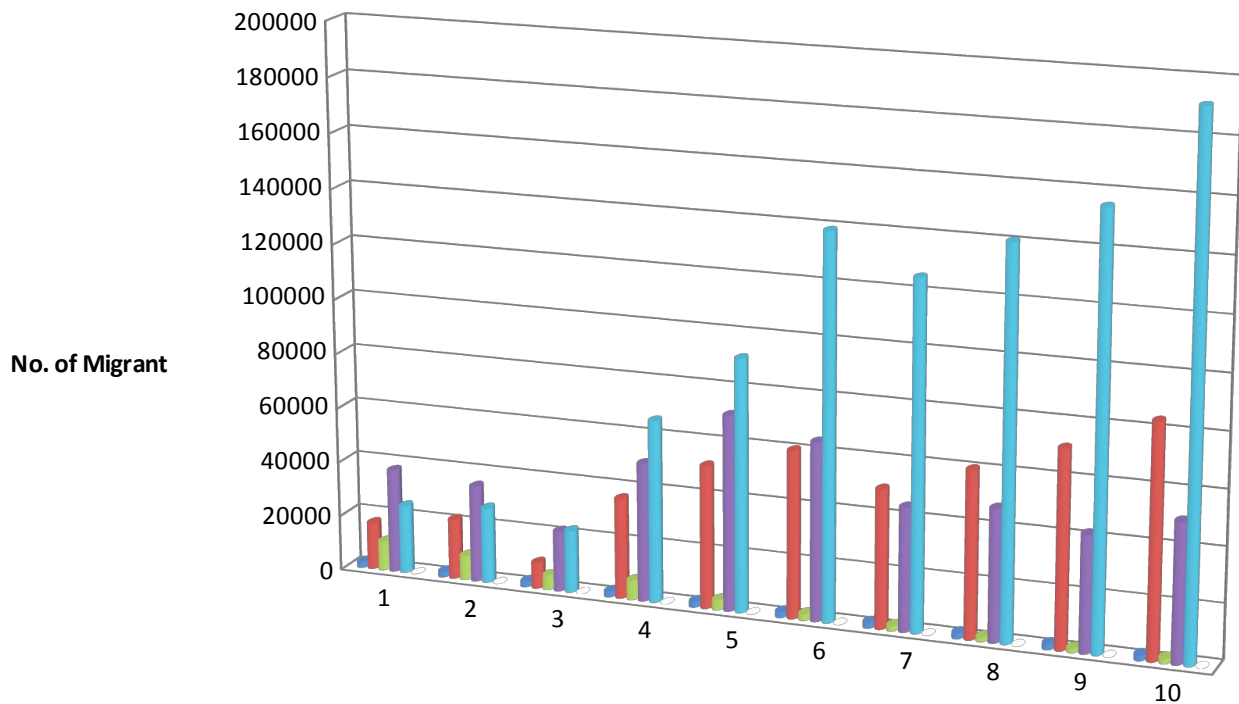
### ***The ASEAN Declaration on the Protection and Promotion of the Right of Migrant Workers***

During the 12th Association of Southeast Asian Nations (ASEAN) Summit on 13 January 2007 in Cebu, the Philippines, the Heads of State of ASEAN member countries signed the Declaration on the Protection and Promotion of the Rights of Migrant Worker. ASEAN members, comprising countries of origin and destination for labour migrants, declared that they would take measures in order to protect and promote the rights of labour migrants. In accordance with national laws, regulations, and policies, ASEAN members are required to take action for the benefit of labour migrants by promoting decent, humane, productive, dignified and remunerative employment for labour migrants and creating re-integration and human resource development programmes for returned migrant workers. ASEAN member countries also cooperate to strengthen their capacities, share best practices and facilitate data sharing among themselves to prevent and curb people smuggling and trafficking.

### **ICM (The India Centre for Migration)**

The India Centre for Migration (ICM) formerly known as Indian Council of Overseas Employment (ICOE) is a 'not for profit' society established by the Ministry of Overseas Indian Affairs (MOIA) in July, 2008 to serve as a think tank on all matters relating to 'International Migration'.

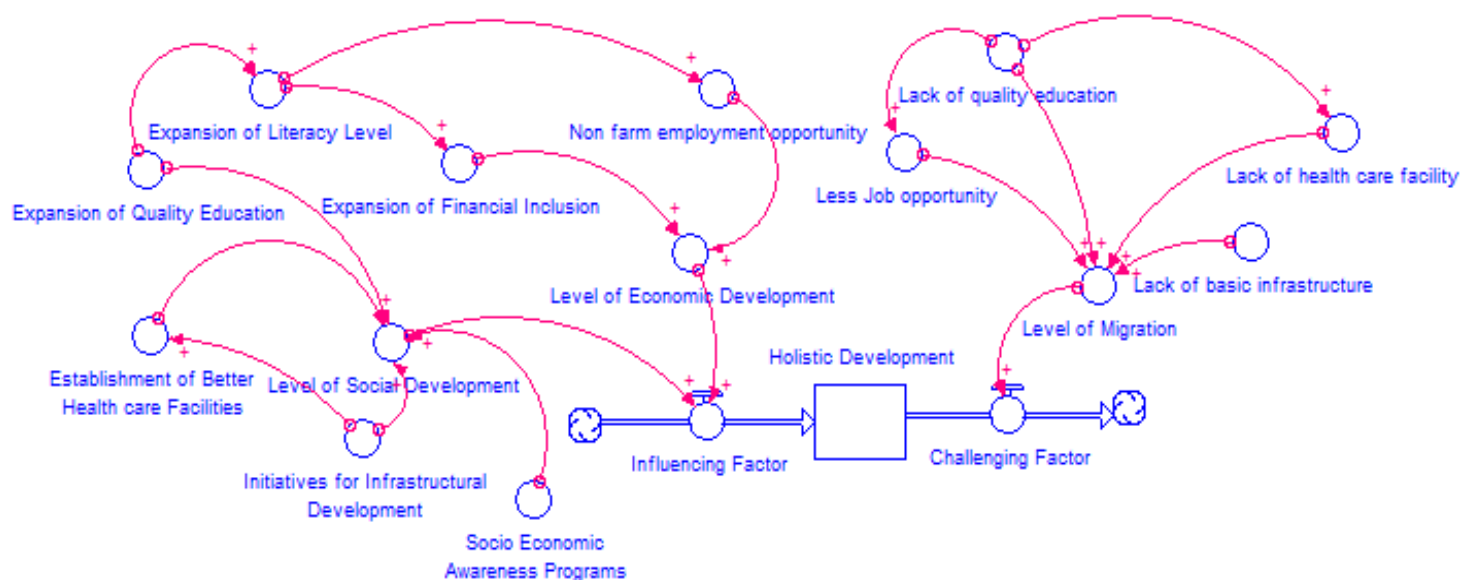
## **Labour Migration in India (2003-2013)**



(Source: Ministry of External Affairs)

As it is clearly visible in depicted graph along with the table that Uttar Pradesh is one among four state where large number of people have migrated to the other states whereas in recent years whereas earlier in the year 2003 and year 2004, Rajasthan was on top position in terms of number of migrant to the other state. On the other hand, despite of having large population the number of migrated people in Madhya Pradesh is very less throughout the period from year 2003 to 2012.

### Dynamic Model for Holistic Rural Development through Migration



System dynamics is a powerful methodology to identify, understand and discuss a complex problem. A problem becomes complex when human factor is involved because each human being is unique in terms of behaviour, nature, personality, habits, socio-economic environment, traditions etc. In this study,

objectivity is to develop a dynamic model where we can find out the possible steps which can mitigate the level of migration so that work force can be utilized on optimum basis for the development of local area.

### **Economic Development Determinants**

In the above shown dynamic model, Holistic development is our stock variable which is also a prime objective of this study. Influencing variable which can contribute positively to the holistic development comprises social and economic development factors. Social development initiatives consists expansion of financial inclusion system as it can contribute in mobility of funds which can be invested by the government in their development plans. Further, the other determinant which is identified under this study is to work upon generating non-farm employment opportunities so that excessively engaged labour can be shifted to such activities and people who look forward to migrate because of lack of non-farm activities can work in their local area.

### **Social Development Determinants:**

On the other hand, if more focus can be given to quality education system then it can develop the skills and capacity of local residents and if these people are aware with the need of education then literacy level will get increased and this skilled workforce can be employed and engaged in the non-farm activities which will contribute in the development of local region without any migration. It has been identified that health care facilities are far behind than satisfactory level in India. If such facilities can be incorporated specifically in the local rural region in India then a major percentage of migrant can be reduced as it is one of the evident reasons of migration in India. And such initiative can become real if infrastructural development can take place because précised health care facilities can become possible only when this infrastructural development exists and there is positive linkages between health care facilities expansion, infrastructural development and level of social development. Another factor which has positive linkage with social development is timely organisation of social awareness programs at local level. Such programs can make people aware regarding how they can survive in the local region without getting migrated to the other places. Such programs can also assist in finding new jobs as per the skills of individuals can assist in various precautions to be taken so that people can incorporate various health related safeguards which will ultimately help not to get migrated due to health reason to the other places.

### **Determinants of Migration:**

This study has identify several evident reasons of migration which are lack of basic infrastructure, lack of health care facilities, lack of quality education and lack of job opportunities. These all factors are interlinked with each other as lack of quality education is a major cause due to which people do not take safeguards related to the health which causes various diseases to the people. Health care facilities cannot be provided if basic infrastructure and related equipment are missing. Therefore, there is a positive linkage between level of basic infrastructure and health care facilities.

It can be summed up that, if proper focus can be given to all the identified influencing and challenging determinants then objective of holistic development can be achieved. This will improve the local social connectivity of the people and they were not supposed to migrate to other places for the survival of their family.

### **Conclusion**

It can be summed up that labour migration has been figured out as one of the major challenges for the holistic development as it raises the movement of skilled workforce to the other places for their survival. On one hand it affects the various determinants of social development while on the other hand, it affects the determinants of economic development in that particular region. Therefore there is a need to focus upon generating non-farm employment opportunities, expansion of financial inclusion, usage of scientific methods for agricultural production, establishment of well-equipped health treatment facilities in the local region so that people can work in nearby locations and can assist in the holistic development for their own community.

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