

Reverse Migration during Lockdown: A Snapshot of Public Policies

No. 318

04-September-2020

Satadru Sikdar and Preksha Mishra



National Institute of Public Finance and Policy
New Delhi

Reverse Migration during Lockdown: A Snapshot of Public Policies*Satadru Sikdar¹ and Preksha Mishra²**Abstract**

The imposition of a nation-wide lockdown in India in response to the novel COVID-19 pandemic has appropriately been lauded as an effective pre-emptive strategy. However, a distressing pitfall has been the massive ‘reverse migration’ of migrant workers from the destination centres in an attempt to escape starvation brought on by sudden collapse of employment and lack of effective social protection mechanisms. The pandemic has brought to the forefront of policy discussions not only the immediate issues of this particularly vulnerable group but also the broader issues pertaining to their identification and informal employment conditions. Within the migrant workers, the inter-state migrant workers have been especially affected due to non-portability of entitlements. This paper aims to analyse the migration trends on the basis of available data from the Census of India 2001 and 2011 and to critically examine the current Public policies (Union and state governments) to address the new emerging challenges – provision of immediate relief to migrants, employment generation in source centres to sustain the in-migration and incentivising the ‘city makers’ to return to the destination centres. The paper, further, attempts to assess the issues of sufficiency and feasibility of the public policies in this regard.

¹ Dr. Satadru Sikdar, Assistant Professor, National Institute of Public Finance and Policy, New Delhi.

² Ms. Preksha Mishra, Ph.D. Research Scholar, Centre for Economic Studies and Planning, School of Social Science, Jawaharlal Nehru University, New Delhi.

I. Introduction:

The imposition of a nation-wide lockdown in India in response to the novel COVID19 pandemic in March, 2020 has been, appropriately, lauded as an effective pre-emptive strategy. However, it has also been instrumental in unintentional creation of multi-layered problems for the economy ranging from production on one hand and demand/income generation on the other. One such pitfall has been the mass exodus of migrant workers from destination centres (primarily urban) to the source centres in an attempt to escape the starvation and dwindled access to essential items, brought on by sudden collapse of employment and lack of effective social protection mechanisms. As per Census 2011, the rate of growth of internal migrants was as high as 44.9% between 2001-2011; the growth exceeding even the population rate of growth of 18% during the same period. The total number of internal migrants stood at a staggering 455.7 million in 2011 (Dandekar & Ghai, 2020). The primary reasons for a high internal migration in India has been regional disparity, lack of job opportunity or underemployment source centres, as well as chronic poverty, weak education system and skill mismatch etc. While the destination areas do provide them employment opportunities, a disproportionate share these workers more often than not, reside and work in dismal conditions as informal workers and have none or very small amount of savings. These small savings meant they did not have a 'buffer' to deal with the 'short term uncertainties' brought on by the pandemic.

The lockdown hit the urban centres (like Delhi, Mumbai etc) the worst which are also the primary destination centres for workers from other states/districts. As per Centre for Monitoring Indian Economy (CMIE), the urban unemployment rate steeply increased from 9.41% to 24.95% between March and April, 2020 before peaking in May, 2020 to 25.79%. The specific sectors that were affected as lockdown was implemented included construction, manufacturing, trade, hotels and restaurants which collectively account for 55.2% of the total urban employment (PLFS Report, 2019-20). A recent estimate by the Ministry of Commerce showed that the growth rate of Index of Eight Core Industries (which constitute roughly 40% of the IIP) for June 2020 declined by 15.0% (provisional)

compared to decline of 22.0% (revised) in previous month of May 2020. Its cumulative growth during April to June, 2020-21 was -24.6 %. In fact, all industries except fertilisers suffered a huge decline. These sectors employ a large share of migrant workers (particularly informal workers) thereby resulting in worsening conditions for this group at the destination centres. As per World Bank study by Ratha et al. (2020), roughly 40 million internal migrants (inter and intra-state) were affected by the lockdown. A nation-wide primary survey of roughly 11,000 informal workers conducted by Action-Aid India during the lockdown revealed that roughly 81 per cent of migrant workers lost their livelihood while the figure was relatively lower for non-migrant workers (71%). Additionally, only 35% the sample received full wages during the lockdown while 48% did not receive any wages.

The consequent never-seen-before reverse migration as inter-state and inter-district bans were lifted has brought to the forefront of policy discussions not only the immediate issues of this particularly vulnerable group but also the broader issues pertaining to their identification, informal and dismal employment conditions in destination centres including lack of social security and low bargaining power, to mention a few. Within the migrant workers, the inter-state migrant workers have been especially affected due to non-portability of entitlements and identification issues.

Given the rapidly altering circumstances, the government has encountered three primary challenges with regard to migrant workers. First, immediate arrangement for basic needs, health facilities and social protection for the low-end workers and marginalised communities. Second, generation of employment for return-migrants at the source centres. This is very challenging if we consider that the states with high number of out-migrants (like Bihar) have already been struggling with their fiscal spaces thereby making further increases in state expenditure to accommodate the sudden rise in labour force, difficult. Third, incentivising the 'city makers' to stay or for reverse migrants to return to the destination centre. This is important because Immigrants contribute significantly towards the destination places through their labour and skills (often referred as 'city makers'), as well as invest and pay indirect taxes to the state economy.

The Finance Minister has announced important stimulus packages to tackle the situation to the tune of 20 lakh crores within the first two months of the lockdown imposition. This paper aims to analyse the migration trends on the basis of available data from the Census of India 2001 and 2011 and to examine the efficacy of the State's responses (Union and state governments) to address the emerging challenges due to 'reverse migration'. Section II provides an overview of the interstate migration trends. The current exercise has primarily focused about the inter-state flow of migrants, in an attempt to identify the state specific policy dynamism required to address the issues of the migrant workers. The next section provides a brief overview of the current policies and allocations undertaken for the poor, in general and migrants in particular, and analyses the magnitude to the state response in terms of sufficiency, feasibility and changing landscapes affected the fiscal space. Section IV offers some concluding remarks basis the foregoing discussion.

II. Inter-State Migration in India – An overview

The Census and the NSSO are the primary source of migration data in India. Researchers have argued that both suffer from inherent severe methodological issues. While the last NSSO survey on migration was conducted in 2007-08, the latest Census figures are available for 2011. These 9-year old census figures are, thus, outdated and may not showcase the current migration trends underway. Furthermore, several studies have shown that these figures grossly underestimate the total domestic migration. This can be accrued primarily to the fact that neither Census nor NSSO capture accurately the circular/seasonal migration flows which is a large part of overall migration processes (Dandekar & Ghai, 2020; Deshingkar & Akter, 2009). Infact, Deshingkar & Akter (2009) have shown that the circular migrants alone were close to 100 million in India in 2008. Additionally, lack of enumeration and rigid definition of 'migrant' excludes a large portion of these workers particularly seasonal and 'footloose'³ workers. Of the informal workforce in urban India, 100 million people, or 1 in 10 Indians are seasonal/circular/short-

³ hired from rural areas by contractors who move from city to city in search of work and without a final destination.

term migrants (Thomas et al, 2020). There are also definitional issues with the term ‘migrants’ as it is based solely on place of last residence or place of birth which leads to some inflexibility in the concept itself (Dandekar & Ghai, 2020). Given the data limitations, Census is considered the most reliable and latest data source; being based on the entire population.

The recently released actual figures for Census 2011 show that the total number of internal migrants in India *i.e.*, the individuals migrating within the country, stood at a staggering 449.9 million in 2011, constituting 37.2% of the total population and 98.7% of the total migrants⁴ in the country. As shown in Table 1, between 2001 and 2011, the internal migrants increased at a rate 3.82% per annum which was even higher than the population rate of growth of 1.64% per annum implying a significant increase in labour mobility within the nation.

Table 1: Total Migrants in India by Last Residence, 2001-2011

	2011 (in Millions)	Share of total migrants (%)	2001 (in Millions)	Share of total migrants (%)	Rate of growth between 2001- 2011 (%)	Per annum rate of growth (%)
<i>Intra-State</i>	395.7	86.8	268.2	85.3	47.5	3.96
<i>Inter-State</i>	54.3	11.9	41.2	13.1	31.8	2.80
<i>From other countries</i>	5.9	1.3	5.1	1.6	13.8	1.31
<i>Total Migrants</i>	455.8	100	314.5	100	44.9	3.78
<i>Total Internal Migrants</i>	449.9	98.7	309.4	98.4	45.4	3.82
<i>Total Population</i>	1210.9	-	1028.6	-	17.7	1.64

Source: Authors’ calculation from Census 2011 D2 table based on last residence; Last accessed on 30th July, 2020. Census 2001 data, available at:
https://censusindia.gov.in/Census_And_You/migrations.aspx

Further bifurcation of the internal migration reveals that the intra-State migration accounted for a lion’s share of the total internal migration in the country both in 2001 and 2011 comprising of 85.3% and 86.8% of the total migrant

⁴ Total migrants refer to anyone whose last residence is different from their place of enumeration. It is inclusive of individuals whose last residence was within India as well as outside India

population respectively. On the other hand, the inter-State migration constituted a fairly smaller share of the total migrant population; the share even decreased from 13.1% to 11.9% from 2001-11. This is because, migration over smaller distances (within the state) as farm/non-farm labourers, close to their own district in search of better employment opportunities, may often be preferred by individuals. Notwithstanding, the total inter-state migrant population is still significant in absolute sense. It, in fact, rose from 41.2 million to 54.3 million recording an average rate of growth of 2.8% p.a. during the decade.

The four migration streams as prevalent in 2011 have been specified in Table 2. It is evident that distinct patterns emerge for inter-state and intra-state movements. For within-State Migration, the dominant movement has been from Rural-to-Rural areas accounting for 51% of all such migrations while rural to Urban migration is quite low (14.8%).

Table2: Stream of Migration for internal migrants in 2011

Steam of migration	Inter-State		Intra-State	
	Persons	% share	Persons	% Share
<i>Rural-Rural</i>	1,20,19,426	22.2%	20,17,39,806	51.0%
<i>Urban-Rural</i>	28,89,303	5.3%	2,40,85,918	6.1%
<i>Urban-Urban</i>	1,68,07,989	31%	6,12,92,128	15.5%
<i>Rural-Urban</i>	1,96,16,060	36.1%	5,85,85,417	14.8%
<i>Unclassifiable to rural</i>	9,86,521	1.8%	33695236	8.5%
<i>Unclassifiable to urban</i>	19,45,450	3.6 %	16254164	4.1%
Total	5,42,64,749	100.0%	39,56,52,669	100.0%

Source: Authors' calculation from D2 Migration table, Census 2011; Last accessed on 30th July, 2020

Note: (1) The figures are based on all durations of residence.

(2)'Unclassifiable' are those whose last residence could not be classified as rural or urban

On the other hand, for 'across state' migration, the principal channel has been the rural to urban (36.1%). Moreover, only 12 million out of 54.3 million inter-state migrants belonged to the rural to rural migration stream. The urban to urban migration was also quite high (31%) for this type of migration. The inter-state migrants who migrated to the urban areas, irrespective of their last residence, constituted 70.7% of the total inter-state migrant while the corresponding figure for the intra-state was only 34.4%. This is to say, the inter-state migrations have primarily been urban-centric while the intra-state migrate,

rural-centric. A similar trend for ‘across state’ migration streams for also observed between 1991 and 2001 (Das & Saha, 2013).

Furthermore, a spatial analysis of the inter-state migration patterns was undertaken. Table 3 presents the top five states as per net-immigration⁵ from other states in 2011 for any duration of residence. The net-immigration was highest for **Maharashtra (6 million), NCT of Delhi (4.8 million), Gujarat (2.3 million), Haryana (1.3 million) and Punjab (0.7 million)**; all high GSDP states. In terms of total immigration from other states, Maharashtra stood at the top with 9.1 million individuals followed by Delhi, Gujarat and Haryana. These migrant workers serve as the reserve army of labour at the destination centres constituting a significant share of their total population in 2011. Delhi had recorded the highest total immigrants from other states as a proportion of its population. A similar trend is shown by Mukhra et al. (2020) and Dandekar, A., & Ghai, R. (2020).

Table 3: Top 5 States as per Net In-migration (any duration of residence), Census 2011

States	Net In-migrants from other states (in million)	Total Immigrants from other states	% share of 2011 population
Maharashtra	6	9.1	8.1%
NCT of Delhi	4.8	6.3	37.7%
Gujarat	2.3	3.9	6.5%
Haryana	1.3	3.6	14.3%
Punjab	0.7	2.5	9%

Source: Author’s Calculation from table D2 Census, 2011. Last accessed on 30th July, 2020. Population figures available at <https://www.census2011.co.in/states.php>

On the flip side, **Uttar Pradesh and Bihar** were the states with the largest total as well as net out-migrants. The net out-migration⁶ to other states was quite high; 8.3 million and 6.3 million respectively as in 2011. **Rajasthan** was also an important contributor to the labour supply of other states with 1.2 million net-out migrants. In terms of total outmigration, nearly 12.3 million people migrated to other states from UP, followed by about 7.5 million from Bihar and 3.8 million from Rajasthan. UP also has a large influx of migrant population from other states to the tune of 4.1 million. However, the total outmigration was significantly higher.

⁵ Net immigration = Total Immigrants – Total Out-migrants

⁶ Net Outmigration = Total outmigrants – Total Immigrants

The internal migration of labour from rural areas to urban centres may be considered to be a discernible outcome of the structural transformation of a rural economy to an industrial one. However, the migration patterns across states reveals the urban-centric inter-state migration outcomes have largely been instigated by the pronounced regional disparity in the country - lack of employment opportunities and stagnating rural economy in the home states. The claim is further analysed in table 4 through an inquiry into the reasons of migration for both inter- as well as intra-state migration, separately for males and females. It is observed that there is some dissimilarity between the reasons for migration for within-state and across-state migration. While the primary reason for all internal migration remains 'family-related', 'work' accounted for 24.7% of inter-state movement but only 7.8% for intra-state migrations. Furthermore, the reasons differed significantly across males and females (for all duration of residence) for across states migrants. This has been presented in table 3. While the predominant cause for males was work/employment/business (50.2%), the primary reason among females was family related (83.3%), in general and marriage (31.1%), in particular. For all persons, the central cause has been family related (60%) followed by work (25%). This is consistent with the general trend in the economy observed by Das & Saha (2013) between 1991-2001. On the other hand, for within-state migration, the central reason has been family related for both men and women, albeit the proportion is significantly different. While 83% females moved within-states on account of family, only 40% males fall in that group.

The pattern of inter-state migration and the reasons for the same, collectively, point to the fact that migration has been driven primarily by disparities in regional development (Das & Saha, 2013). Certain urban centres particularly administrative capitals within more developed states (Delhi, Maharashtra, Gujarat etc.) have become the prime recipient of inter-state migrants from other resource-poor, undeveloped states which have been lagged behind in the process of development. In this regard, long-distance, across state migration, particularly from rural to urban areas (which is the largest stream of migration for inter-state movement) cannot be assumed to be a choice, instead an

escape. This has also been supported by Mukherji,(1991)⁷ who argued that “inter-state migration of the males for employment, (as well as of females) is still very much linked with the underdevelopment, poverty, spatial disorganization, regional disparities, social inequalities, rural stagnation, rural neglect and unbalanced regional development over national space”.

Table 4: Reasons for Migration by Gender, Census 2011

Inter-State Migrants						
	Persons	Males	Females	Persons (%)	Males (%)	Females (%)
Work	1,34,20,989	1,19,73,661	14,47,328	24.7%	50.2%	4.8%
Education	7,44,015	5,05,884	2,38,131	1.4%	2.1%	0.8%
Family	3,24,55,607	71,31,606	2,53,24,001	59.8%	29.9%	83.3%
Others	76,44,138	42,58,661	33,85,477	14.1%	17.8%	11.1%
Total	5,42,64,749	2,38,69,812	3,03,94,937	100.0%	100.0%	100.0%
Intra-State Migrants						
	Persons	Males	Females	Persons (%)	Males (%)	Females (%)
Work	3,09,29,324	2,51,68,053	57,61,271	7.8%	21.0%	2.1%
Education	46,58,223	27,53,894	19,04,329	1.2%	2.3%	0.7%
Family	27,51,09,194	4,68,73,393	22,82,35,801	69.5%	39.2%	82.7%
Others	8,49,55,928	4,48,02,500	4,01,53,428	21.5%	37.5%	14.5%
Total	39,56,52,669	11,95,97,840	27,60,54,829	100.0%	100.0%	100.0%

Source: Authors' calculation from table D3, Census 2011; Last accessed on 30th July, 2020

Note: (1) 'Family' reasons include marriage, moved at birth, moved with household

(2) Work/Employment has been clubbed with Business as 'Work'.

The obvious question that emerges is whether the type of employment that they are likely to achieve in the destination centres reduces their vulnerability. No estimates are available regarding the kind of employment for the migrant workers separately. Thus, the broad education level has been used as a proxy for the skill level, albeit with a pinch of salt, to gain a broad understanding of the primary employment opportunities that might be available to the migrant workers. Table 5 below provides the education profile for the individuals who had migrated across states for the purpose of employment between the Census 2001 and 2011.

Table 5: Level of Education of Inter-State Migrants who had migrated for 'Work/Employment' between 2001 and 2011 (0-9 duration of residence considered)

Level of education	Figures			% share		
	Persons	Male	Female	Persons	Male	Female
<i>Illiterates</i>	1082472	822487	259985	18.5%	15.9%	38.5%
<i>Literate but without classifiable education level</i>	231689	206467	25222	4.0%	4.0%	3.7%
<i>Literate below Secondary</i>	1858136	1720784	137352	31.8%	33.3%	20.3%
<i>Secondary but below Graduate</i>	1419250	1332619	86631	24.3%	25.8%	12.8%
<i>Technical education but Not equivalent to degree</i>	93923	82656	11267	1.6%	1.6%	1.7%
<i>Graduate and above (Technical +non-technical)</i>	1165500	1010155	155345	19.9%	19.5%	23.0%
Total	5850970	5175168	675802	100.0%	100.0%	100.0%

Source: Authors' calculation from D7 Census, 2011

Note: 1. 'Literate' includes figures for 'literate without educational level' and 'educational levels not classifiable.'

2. 'Matric/Secondary but below graduate' includes 'non-technical diploma or certificate not equal to degree'.

3. This table excludes migrants whose place of last residence is unclassifiable as Rural or Urban.

4. This table also excludes migrants from outside India.

Roughly one-fifth of the individuals migrating for work during the intercensal period possessed graduate and above degrees implying better opportunities for employment for them at the destination states. However, what is alarming is that nearly one-fifth were also illiterates while 50.1% had studies below graduate level (excluding the technical education not equivalent to a degree). Thus, the likelihood of their employment in informal and unorganised sector for meeting the labour demand for the most poorly remunerated sectors/occupations is expected to be quite high. The urban employment generation particularly for the aforementioned destination states has been highly

informal in nature. As per NCEUS, 2007, about 93% of the workforce was engaged in the informal sector; a number that has been expected to grow. Micro studies have shown, that 'urban growth has been exclusionary and exploitative, leading to the reproduction of poverty and socio-economic inequalities at the work destinations' (Breman, 2013; Shah and Lerche, 2018). This particularly affects the circular migrants who are not even appropriately captured by Census. Thus, the group has remained largely vulnerable with low wages (and savings) and deplorable informal work conditions.

The second major challenge that emerges specifically for the inter-state migrants is the lack of identity as state borders are crossed. The Inter-State Migrant Workmen Act, 1979 intends to prohibit the exploitation of the migrant workers, including but not restricted to, providing wages equal to the workers belonging to the said state, provision of social security benefit etc. It is applicable to principal employer employing five or more migrant workers from other states in the preceding 12 months as well as any contractor who recruits workers from other states. However, the provisions of the act are largely based in self-registration. This, in turn, exacerbates the issue of identification of the migrant workers as the very identification of these workers undermines the profit maximisation objective of the employers/contractors. The inability to establish their identities in the destination centres then excludes them from the purview of entitlements and social services provided by the state governments. This, in effect, increases their social, economic and political invisibility which is expected to be transferred inter-generationally. Consequently, migrant workers (especially inter-state), more often than not are pushed into exploitative labour arrangements in the urban centres due to lower bargaining power. This, in turn, exposes them to riskier jobs, lack occupational safety etc.

Associated with the issue of identification, the third major issue has been that inter-state migrants are often excluded from affordable housing, education, healthcare and formal institutional lending. The reasons can not only be traced to the lack of identity documentation but also linguistic, bureaucratic obstacles as well as an anti-migrant sentiment in the destination centres. In addition, greater movement to specific urban centres puts pressure on their resources thereby

leading to higher price for housing and other facilities thereby further accentuating the underlying vulnerabilities for the migrant workers.

Thus, entry for migrant workers in general but inter-state workers in particular is plagued with substantial inherent disadvantages. Their vulnerable state particularly during the pandemic was, thus, a reflection of the underlying systemic issues that have been affecting this group for years.

III. Policy Initiatives for Migrant Workers during Pandemic: An enquiry

Given the aforementioned challenges for the State with regard to the migrants and reverse-migrants, there were several policies announced by the government at both central and state-levels, in line with the objective of arresting, if not alleviating the constantly deteriorating circumstances of the of the poor migrant population, particularly circular/seasonal migrants and those engaged in the informal sector brought about by the pandemic. Given the increasing pressure on the 'net out-migration states', it seems beneficial that the reverse-migrants are incentivised to return to the destination centres. This is because it is expected that the cities with large economic activities, can employ a large number of workers immediately as economy picks up. Further, these centres also have a higher amount of GSDP/GSVA, and tax collections thereby providing them with the necessary fiscal space to not only generate employment but to provide some social security provisions for the migrant workers, when they return.

With respect to the announcements by Union and State Governments, some essential points of concern have emerged here. Initially, on March 26, the Prime Minister announced Pradhan Mantri Garib Kalyan Packages (PMGKP) worth of Rs. 1.7 crore. Under PMGKP, some important programmes aimed to directly target the poor. These include cash transfer programme under PM Jan Dhan Yojana for women, free food for migrant workers with an allocation of Rs. 3500 crore, Rs. 3000 crore allocation for cash transfer towards 'senior citizens, 'widows' and 'physically handicapped'; Rs. 17,500 crore package for PM-KISAN as a 'front-loading expenditure' (although the total allocation in budget 2020-21 was Rs.

75000 crore); Rs. 13000 crore towards Ujjawala Scheme (a programme to distribute 50 million LPG connections to women of Below Poverty Line families), along with an enhancement of Rs. 40000 crore for MGNREGS, and Rs. 6000 crore towards employment for tribals/ adivasis (CAMPA), and Rs. 2500 crore for Employees' Provident Fund (EPF). Apart from these, Union Government also announced for free food distribution, for 3 months, under the public distribution systems (PDS), health insurance for health and related workers. Further, some funds were also announced for construction workers (around Rs. 31000 crore), and for District Mineral Fund (Rs. 35925 crore).

Later, on May 12, 48 days after the announcement of nation-wide lockdown, Prime Minister announced about a package of Rs. 20 lakh crore. Later, the details of the package were announced. Only by combining the packages with RBI stimulus it sums to the announced stimulus of Rs. 20,97,053 crore under the Atma Nirbhar Bharat Abhiyan. It is important to highlight that only Rs. 1.70 lakh crore were announced from the Union Budget. The remaining came from collateral-free loans for micro-small and medium enterprises (MSMEs) to the tune of Rs. 3 lakh crore, and through Kisan Credit Card around Rs. 2 lakh crore 'concessional credit', RBI liquidity infusion for around Rs. 8 lakh crore, Infrastructure fund of Rs. 1 lakh crore from NABARD, and around Rs. 1.9 lakh crore from other liquidity measures⁸. Consequently, several independent studies have shown that the actual cost to the government is significantly lower than the announced figures. For instance, Barclays Research calculated cost to Government as only Rs. 1.5 lakh crore, SBI Research Group considered it as Rs. 2.03 lakh crore, CARE Rating as Rs. 2.8 lakh crore, Ernst & Young as 3.08 lakh crore.⁹ Irrespective of variations of the actual cost to Government, it is true that a large portion of the announced figures constitutes the liquidity decisions of RBI as part of the 'fiscal stimulus package'; and the government expenditure and RBI actions cannot simply be summed up together. This action, also implies that the fresh government spending will be considerably lower than the projected amount.

⁸ <https://www.financialexpress.com/opinion/borrowing-room-for-states-sans-cooperative-federalism/1978180/>

⁹ <https://www.businesstoday.in/current/economy-politics/atma-nirbhar-package-full-details/story/404226.html>

Thus, it is clear that a very little portion was, in reality, allocated for direct cash transfer, food distribution and immediate employment generation programme, by the Union Government. Nevertheless, Union government has tried to push infrastructure development works under the expectation that these would generate sufficient employment opportunities thereby easing the burden on the different 'net out-migration' states. Apart from the loan distribution policies or RBI's monetary infusions, one can group the programmes into food distributions, direct cash transfers, employment generation and health facilities improvement schemes/measures. A brief review of the specific programmes launched by Union Government and as well as various state governments has been presented below.

Direct Cash Transfer

Several universal schemes were also announced for the vulnerable population groups as whole. The most prominent among them being the **Pradhan Mantri Garib Kalyan Yojana (PMGKY)**. As discussed above, an allocation of **Rs 1.70 Lakh crore** was announced as an immediate relief measure. Though these direct cash transfers are significant, there are no specific schemes at the Union level targeting the migrant workers or workers who have lost their jobs. While their identification is difficult, just after the lockdown was imposed, various panchayat and other local bodies' administrations were asked to collect data on migrant workers; the database, however, is not inclusive at the moment.

Several states, announced their own one-time income support to the migrant population in their states as well their migrant workers stranded in other parts of the country. One-time cash support of Rs. 1,000 provided by Andhra Pradesh. Bihar & Haryana announced for a transfer of Rs.1,000 to registered migrant workers while Tamil Nadu government announced a support of Rs 500 to all migrant workers in the state. In West Bengal, 'Sneher Paras' was to *provide ex-gratia financial assistance of Rs. 1,000 through DBT for those migrant workers from the State who were stuck in other states. Similar step for also taken by Jharkhand.* For the 'reverse migrants' to Odisha, the state government announced an income support of Rs 2000 per migrant worker subject to completion of quarantine period. Additionally, Punjab Government initiated income support to the tune of Rs. 3,000 to each registered construction worker, of whom migrant workers are a

major part, in the State to be transferred to bank accounts directly for which, Rs. 96 crore has been earmarked. The actual disbursement by the state remains to be seen.

Additionally, Bihar and some other states developed emergency apps, and collected data for e-ration card (temporary), which has been used to directly benefit inter-state migrant workers. The primary challenge, however, has been that the targeting may not be effective. This is because the benefits (state and union level) are to be transferred through Jan Dhan Bank account thereby excluding individuals who are out of these databases or do not have bank account or do not have access to bank.¹⁰

Free Food Distribution

Apart from cash transfers, another important step has been provision of essential food distribution, either in cooked form, or in a distribution through rationing system. This actually revived India's old public distribution system (PDS). Since issues of migrant identification and the consequent difficulties in portability of entitlements particularly that of PDS has remained a grave area of concern for the migrant workers, as an urgent measure, the Centre in May, 2020 announced provision of 5 kg grain per person and 1 kg chana per family per month for June-July, 2020 to all migrant workers who do not have either a central or state PDS card. As per the Finance minister, roughly 8 crore migrants are to be benefited and Rs 3500 crores will be spent on the same. However, this is also true, that the warehouses of Food Corporation of India (FCI) are overflowing the stock of food, and the Union government can ensure these without giving much pressure of their fiscal space (Chakraborty and Thomas, 2020).

While the response of the Centre came a little late, most state governments provided night shelters, free food and essential commodities to but not restricted to the migrant workers. In addition, cash relief of Rs. 5,000 was provided by Delhi government. Telangana provided Rs. 1,500 for all rice card holding families, for buying essential commodities such as groceries and vegetables. Similarly, *Jeevikasamuh* in Bihar, *Prachesta* in West Bengal, as well as other cash transfer

¹⁰ <https://theprint.in/opinion/dont-wait-for-the-perfect-database-modi-govt-can-do-cash-transfers-now/429389/>

programme under National Food Security Act, have been utilised in Madhya Pradesh, Chhattisgarh and in other states. Moreover, Uttar Pradesh went a step further to announce a provision ration cards for all migrant workers.

Employment Creation

The most challenging aspect of the lockdown-induced crisis has been the urgent need for the Union and state governments to ensure employment generation for those have lost their jobs. Although, no proper estimates have been found about the number of jobless workers, but some gross estimates is about 122 million on April, 2020 (CMIE). In fact some other recent databases also reflecting more severe situations even after Unlock 1.0 and 2.0. According to the CMIE statistics on unemployment, the national unemployment rate in the week ended 16 August, reached to 9.1 percent, which is higher than unemployment rate during the week ended August 9, of 8.67 percent. The highest unemployment rate during these lockdown and unlock periods, was 11.6 percent in the week ended June 14.¹¹ Many academicians have pointed that the distress in rural areas is more severe, as the absorption of labour in agricultural activities could be seasonal and may lead to higher unemployment later, and those migrant worker, who used to be engaged in 'retail and hospitality' sector may face a longer unemployment phase.

The employment creation to make up for the loss of jobs, in general and for migrants in particular has been announced through two channels – (1) direct state intervention to create jobs for migrant population displaced from their work and (2) in a long term perspective, indirect intervention by providing an impetus to the overall economic activities in an attempt to generate employment.

Let us first, have a look at the policies intended to create employment for the 'reverse migrants' returning to their native places. As argued previously, 'reverse migration' as the lockdown was lifted has been a pervasive phenomenon. In particular, for those moving back to rural areas, the rural economies are not equipped to provide employment opportunities to these return-migrants. Primarily Agri-dependent, employment generation is low in rural economy because of lack of diversification in agriculture, lack of land reforms, low

¹¹ <https://www.livemint.com/news/india/india-s-overall-unemployment-rate-touches-a-nine-week-high-at-9-1-11597801179951.html>

productivity, lack of mechanisation and other infrastructural bottlenecks. Moreover, due to low penetration of other sectors in Rural India, these economies will find it even more difficult to absorb returning migrants particularly already impoverished source centers like Bihar. The proportion of rural population employed in Agriculture as reported by PLFS 2018-19 was 57.8%; only a small section being employed in other industries particularly Construction (13%), manufacturing (7.8%) and other services (8.3%). While MNREGS exists, given the decline in the rural economy as well due to the novel coronavirus, it may not be able to accommodate the increased demand in the present form. Consequently, in a pre-emptive action, the Centre increased the budget for MNREGS by Rs 40,000 crore over and above 2020-21 budget allocation of Rs 61,500 crore. As per Finance minister, it will help generate nearly 300 crore person days employment addressing need for more work including returning migrant workers in the monsoon season.

Though this boost is welcome, there are several issues. Firstly, the Rs 61,500 crore budgeted this year was already an underestimate. In FY'20, actual spending for the rural work programme was Rs 71,000 crore. Secondly, pending liabilities continue to plague the scheme. Even from this higher allocation of Rs 1,01,500 crore, almost Rs 11,000 crore will have to be used to clear dues of last year. Thirdly, no increase in mandated number of days employment has been announced. In fact, only 7.3% of the total households employed could avail the mandated 100 days of work in 2019-20. Moreover, the actual work provided as a percentage of the total household demand has been continuously decreasing since it peaked in 2011-12 (99%) to 93% in 2013-14 and decreasing even sharply to 88% in 2019-20. Given the extent of already existing demand pressure and the expected high increase in the next few months, the higher allocation of funds seems miniscule.

Nonetheless, some laudable steps particularly by the states that have been large source centres have been announced. For instance, Chhattisgarh sanctioned a net amount of Rs 101.51 crore for the development of 704 Gram Panchayat Bhawans under MGNREGA and RGSA, in the newly constituted Gram Panchayats. In Jharkhand, in the Birsa Munda Harit Gram Yojana, under MGNREGA, an

honorarium of Rs.19,400, for 100 workdays, will be given to Bagwani Mitra appointed in every village for protection of plants and trees. Initiatives to provide relief to migrant workers: Migrant workers and daily wage earners have faced the brunt of the lockdown in terms of loss of job opportunities, income loss, lack of proper shelters and food.

Furthermore, a major policy announcement for return-migrants and rural population has been the launch of a large rural public works scheme of 125 days - PM Garib Kalyan Rojgar Abhiyan (PMGKRA). Rs 50,000 crore have been allocated for a concentrated implementation in 116 districts of 6 states wherein the proportion of reverse migrants is quite high. These states include Bihar, UP, MP, Rajasthan, Jharkhand and Odisha; all being primary source centres of labour to other states. In 2011, the total out-migrants from these states combined was 29.5 million; a number that is expected to have increased till 2020 given the burgeoning regional disparity. There are 25 works to be implemented under the scheme PMGKRA, which largely constitute activities aimed at building local rural infrastructure like plantations, provision of drinking water through Jal Jeevan mission, rural housing for the poor, community toilets, rural mandis, rural roads, other infrastructure like cattle sheds, anganwadi bhavans etc. This is a significant step towards meeting the twin objective of providing demand stimulus on one hand and creating much-needed rural infrastructure on the other.

At the state-level, a significant step has been taken by the UP government which has been particularly affected by the 'reverse migrants' as UP is the largest supplier of labour to other states. Atma Nirbhar Uttar Pradesh Rojgar Abhiyan, has been announced in June,2020 to create employment for migrant workers of UP who have recently returned back to the state. The programme is expected to provide employment to 1.25 crore people spread across 31 districts of the state, through the Common Service Centers and Krishi Vigyan Kendras. The primary objective of the scheme is to 'provide employment, promoting local entrepreneurship and creating partnership with Industrial associations to facilitate further employment opportunities'. However, no such policies have been formulated at the state level for other large source centres like Bihar and Rajasthan that are expected to have a sudden influx of return-migrants recently.

However, we are yet to witness specific policy announcements aimed to incentivise the migrant workers to stay at the destination centres or in future, to curb the extent of wilful reverse migration. It can, though, be argued that the objective behind the launch of Atma Nirbhar Bharat Abhiyan is that the revival of manufacturing sectors, especially labor-intensive small and medium enterprises and that of agriculture may increase the employment opportunities and overall consumption of the economy, especially rural economies, thereby resulting an inclusive growth across all states. These policies include Rs 3 lakh crore collateral free loan to MSMEs, Agricultural Market Reforms intended to create 'One nation, One Market' through amendments in the Essential Commodities Act, 1955 etc. However, there are a huge fall in demand of many products, and also the supply chain has effected severely. Many MSMEs are not able to continue, due to low amount of sale and generation of inventories. In this situation, the collateral free loan may not help as an immediate action to revive employment situation.

Social Security

One of the primary requirements, in both for short and long-term horizon, is the provisioning of basic social securities among migrant workers. The pandemic served as a boon in disguise by bringing the issue of non-portability of entitlements particularly for migrant workers to the forefront of public discourse. As an immediate step, an expeditious switch to 'One nation, one ration card' was initiated. Under this, ration cards are to be made portable to allow migrant workers to access Public Distribution System (Ration) from any fair price Shop in India by March 2021. Around 67 crores beneficiaries in 23 states covering 83% of PDS population will be covered by national portability by August, 2020, as per the Centre. Additionally, the focus has exclusively been access to PDS while other types of social security has largely remained outside the ambit of the government intervention. For instances, liveable accommodations, minimum health securities, proper nutrition, decent working hours, along with ensure minimum wages etc.

To address the challenges faced by the urban poor including migrants, an affordable rental housing scheme under the Pradhan Mantri Awas Yojana (PMAY) has been announced. This is intended to provide them with access to quality accommodation and security to encourage these workers to not return to their

native places in a crisis like COVID-19 in the future. For this purpose, government-funded housing in urban areas/cities will be converted into Affordable Rental Housing Complexes (ARHCs). This will be through the public-private partnership (PPP) model. Moreover, government housing complexes lying vacant are also to be converted for renting to migrants at concessional rates. The government will also aim to incentivise industries, manufacturing units and institutions to develop ARHC on their unutilized land.

While these steps are appreciable, there have been no steps taken yet in the direction of provision of social security for migrant workers in particular, or informal workers in general.

IV. Concluding Arguments and Further Challenges

It hardly needs any emphasis that labour mobility and the consequent labour market flexibility is a crucial pre-requisite for any the economic growth trajectory of any country; internal migration being a predominant channel for the same. India has been no exception in this regard. However, the inter-state migration in India has been largely urban-centric and driven by the growing regional disparity. The Census 2011 Migration data reflects that a large proportion of inter-state migrant workers possess low levels of education. Coupled with low bargaining power, and Agrarian distress, it has led to a disproportionate share of migrant workers to be engaged in low-skilled informal occupations at a few urban centres. Their lack of social protection, decent work, enumeration and entitlements in the destination centres have been a source of constant debate among policy makers. Against this backdrop, a ceasing of production activities in these centres as a direct consequence of the pandemic (and the lockdown) instigated a chaotic state of reverse migration particularly to the 'net out migrant' poor states. Many lives were lost while cities remained on lockdown and many more are expected if job loss is not arrested or economic provisioning not undertaken. The foregoing discussion reflects that several Union and State-level initiatives have been announced.

The direct cash transfer has been a positive initiative for a large section of these individuals though the reach of any direct transfers targeted towards migrant workers has been severely limited by decades of lack of migrant enumeration. Moreover, methodological issues have kept circular workers outside the ambit of 'migrant'. However, self-declaration required by the states for direct benefit transfer has provided some relief in this regard. Notwithstanding, it is argued that the policy responses to Covid-19 have largely been restricted to already operational programmes. Most of the programs announced under PMGKP, were already in operation; and Union Budget 2020-21 had allocated relatively higher amount on some of these. For instance, the allocation for PM-KISAN was of Rs. 75000 crore, and Rs. 61500 crore for MGNREGS. However, these constitute less than 0.7 percent of the then estimated GDP. One could argue that as the Covid-19 crisis is expected to cause substantial reduction in GDP during the financial year, their share in the actual GDP would actually be much higher. Yet, in absolute terms, the amount remains miniscule relative to the herculean problems caused by the crisis. In fact, the expenditure share to the priority sectors has been abysmally low even during the normal years. For instance, in 2016-17, expenditure as a proportion to GDP, for health (functional head '2210 [revenue expenditure on 'Medical and Public Health'] and 4210 [capital expenditure on 'Medical and Public Health]) was less than 1 percent; Centre's own expenditure on health was 0.12 percent of GDP, 0.13 percent of GDP transferred to states, and all states' combined expenditure was 0.84 percent of GDP, including the grants from centre . Similarly for food distribution, the expenditure share to GDP was 0.86 percent for the head 2408 and 4408 (revenue and capital expenditure for 'Food Storage and Warehousing') in 2016-17.

The most welcome step has been a push towards employment generation programmes like MNREGS and UP Atma Nirbhar Rojgar Abhiyan that can provide immediate employment for 'return migrants' in rural India. Nevertheless, the allocations have not been much particularly because large portion of allocation for MNREGS would be spent in paying back-wages instead of meeting new demand for work. Furthermore, the government has launched several schemes to ensure greater credit availability for enterprises especially the MSMEs; being relatively more labor intensive, they can serve as possible sources of employment not only

to the current residents but also incentivise the 'city makers' to return to the destination areas. Nonetheless, there is an urgent need for employment provisioning schemes for the urban and semi-urban areas as they were the worst hit in the initial pandemic wave. One possible channel of employment generation could be green-field infrastructure projects. As the Union Government has already allocated in the current budget for many infrastructure development projects under the Central Sector Schemes, such as Road Works, Metro Projects, Construction Works for Army, Track Renewals etc. to the tune of Rs. 48759.13 crore, Rs.17482 crore, Rs. 6061.67 crore and Rs. 10599.47 crore respectively, along with works under National Highways Authority of India, which have an allocation of Rs. 42500 crore in the same budget. This will serve the twin objective of creating infrastructure that improves productivity as well as provide spending power to low-skilled workers affected by the lockdown. This is particularly necessary to revive the overall demand in the economy for a much-needed Keynesian push to the economic activities.

Furthermore, the fiscal space of both Union and State governments needs to be improved in the wake of increasing pressures brought on by the pandemic and fall in GDP. Mundle and Sikdar (2020) had calculated that unwarranted non-merit subsidies, with no public interest rationale for under recovery of costs, amounts to over 5.7% of GDP. Even if half of these could be rolled back, such rationalization of subsidies could free up considerable additional fiscal space. However, it is important to recall that the bulk of these non-merit subsidies, over 4.1% of GDP, is actually being provided by the states. Hence the rationalization would have to be undertaken not just by the central government but, indeed more so, by the states. Additionally, the revenue forgone on tax exemptions and concessions was around 5% of GDP, as reported in Annexure 7 of the 2020-21 central government receipts budget (GOI 2020) and unspent amount around 1.5% of GDP, as reported by the Comptroller and Auditor General. Considering these lower bound estimates, there is potential for additional fiscal space through rationalization of non-merit subsidies, reduction of tax exemptions and concessions (as a short term measure) and greater efficiency in public spending is an enormous 12.2% of GDP. Other measures could include reduction in concessions provided for many

corporate sectors (at least those which have reported a profit during these periods).

The major challenge for the State finances, however, remains the expected steep fall in GDP during the FY and the consequent fiscal strain. Many agencies have forecast a negative growth of GDP, ahead of the Q1 GDP figures being released on August 31, within the range of (-)16.5 to (-)25.5 percent growth. As per the recently released GDP estimates announced by Ministry of Statistics and Programme Implementation, Government of India, at constant prices (2011-12) GDP for Q1 of 2020-21 over Q1 2019-20 has shown a considerable contraction of 23.9 percent; at current prices the contraction is 22.6 percent.¹² Given this, not only is the economic recovery expected to be sluggish but the fiscal space for recovery is expected to be low.¹³ Given this, the space of recovery is also expected to be slow. The high inflation of basic needs like petrol and vegetables, low employment, is expected to lead to a slow down at many sectors. Noticeable drop in GST collection, and the worsening Centre-State conflict over GST compensation are clear indicators of intensifying fiscal stress. Given this, it is pertinent that steps are taken to ensure efficient utilisation of the announced packages .i.e., fiscal marksmanship while simultaneously focussing on creating the necessary fiscal space for both levels of the government.

¹²

[https://pib.gov.in/PressReleasePage.aspx?PRID=1650021#:~:text=GDP%20at%20Constant%20\(2011%2D12,growth%20in%20Q1%202019%2D20.](https://pib.gov.in/PressReleasePage.aspx?PRID=1650021#:~:text=GDP%20at%20Constant%20(2011%2D12,growth%20in%20Q1%202019%2D20.)

¹³

[https://pib.gov.in/PressReleasePage.aspx?PRID=1650021#:~:text=GDP%20at%20Constant%20\(2011%2D12,growth%20in%20Q1%202019%2D20.](https://pib.gov.in/PressReleasePage.aspx?PRID=1650021#:~:text=GDP%20at%20Constant%20(2011%2D12,growth%20in%20Q1%202019%2D20.)

Reference

- Abbas, R and D Varma (2014), *Internal Labour Migration in India Raises Integration Challenges for Migrants*, Migration Policy Institute.
- Action Aid India (2020), *Workers-in-the-time-of-Covid-19*, Action Aid India, August.
- Aiyaar Y. (2020), *Don't wait for the perfect database. Modi govt can do cash transfers now*, The Print, May, 26.
- CBGA (2020), *Numbers on Edge: India's Fiscal Response to Covid-19*, Centre for Budget and Governance Accountability, May.
- Chakraborty, L., & Thomas, E. (2020). *COVID-19 and Macroeconomic Uncertainty: Fiscal and Monetary Policy Response*, NIPFP Working Paper No. 20/302.
- Chand R., Srivastava S.K and Singh J. (2017), *Changing Structure of Rural Economy of India Implications for Employment and Growth*, Discussion Paper, National Institution for Transforming India, NITI Aayog, Delhi
- Dandekar, A., & Ghai, R. (2020). *Reverse Migration in the Age of COVID-19*, Economic and Political Weekly, Vol. 55, No. 19, page 28-31.
- Das, K. C., & Saha, S. (2013), *Inter-state migration and regional disparities in India*, SemanticScholar, Corpus ID: 22990304.
- Deshingkar, P., & Akter, S. (2009), *Migration and human development in India*, UNDP, Human Development Reports Research Paper 2009/13 April.
- Kapoor M. (2020), *Rs 20.97 lakh crore Atma Nirbhar package costs govt just this much; check out full details*, Business Today, May, 18.
- Kundu, S. (2020). *Overpopulated, Too Reliant On Agriculture, Rural India Can't Absorb Reverse Migrants*, IndiaSpend, May, 22
- Mukherji, S. (1991), *The Nature of Migration and Urbanization in India: A Search for Alternative Planning Strategies*, Dynamics of Population and Family Welfare, Mumbai, Pp. 203-245.
- Mukhra, R., Krishan, K., & Kanchan, T. (2020), *Covid-19 Sets off Mass Migration in India*. Archives of Medical Research, June, (ARCMED_2020_848).
- Mundle S and S Sikdar (2020), *Subsidies, Merit Goods and the Fiscal Space for Reviving Growth: An Aspect of Public Expenditure in India*, Economic & Political Weekly, Vol. 55, No. 5, February, 1, page 52-60.
- Nanda P. (2020), *India's overall unemployment rate touches a nine-week high at 9.1%*, LiveMint, August, 19. .

- Rao M. G. (2020), *Borrowing room for states, sans cooperative federalism*, Financial Express, June 2.
- Ratha, D. K., De, S., Kim, E. J., Plaza, S., Seshan, G. K., & Yameogo, N. D. (2020). *COVID-19 crisis through a migration lens* (No. 147828, pp. 1-50). The World Bank, April.
- Thomas, C., D. Varma, N. Jayaram, R. Mehrotra, R. R. Subramanian and S. Sugathan (2020), *Unlocking the Urban: Reimagining Migrant Lives in Cities Post-COVID 19*. Aajeevika Bureau, April.

MORE IN THE SERIES

- Choudhury, M., and Mohanty, R.K., (2020). [Role of National Health Mission in Health Spending of States: Achievements and Issues](#), W.P. No. 317 (August).
- Patnaik, I., and Pandey, R., (2020). [Moving to Inflation Targeting](#), W.P. No. 316 (August).
- Choudhury, M., and Dubey, J. D., (2020). [Equity in Intra-State Distribution of Public Spending on Health: The Case of Bihar and Tamil Nadu](#), W.P. No. 315 (July).

Satadru Sikdar, is Assistant Professor, NIPFP
Email: satadru.sikdar@nipfp.org.in

Preksha Mishra, is Ph.D. Research Scholar, Centre for Economic Studies and Planning, School of Social Science, Jawaharlal Nehru University, New Delhi.



National Institute of Public Finance and Policy,
18/2, Satsang Vihar Marg, Special Institutional
Area (Near JNU),
New Delhi 110067
Tel. No. 26569303, 26569780, 26569784
Fax: 91-11-26852548
www.nipfp.org.in