

The Role of Migration and Remittances in Promoting Livelihoods in Bihar



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Executive Summary

This report provides an assessment of migration and remittance patterns in six districts of Bihar covered under the World Bank funded Bihar Rural Livelihoods Project (BRLP) and the IFAD funded Women's Empowerment and Livelihoods Project in the mid-Gangetic Plain (WELPMGP) with a view to identifying practical steps that can be taken by the two projects to maximise the benefits and minimise the negative impacts of migration.

1 The discussions and interviews conducted for this study show that rural people have become even more mobile in the last five years, with deteriorating employment prospects locally and emerging opportunities elsewhere. With the exception of the poorest of the poor, the largest landowners and successful businessmen, nearly all others including medium farmers, forward castes are migrating. While the most educated and wealthy (usually upper caste¹ but not always) migrate for secure and well paid jobs on a more permanent basis, the vast majority of migrants go for periods ranging from 3 to 9 months.

2 SCs and EBCs² are engaged in both short distance and long distance migration but usually in the lowest paid jobs. Farm labouring work, casual labouring work in construction, work in brick kilns and rickshaw pulling are the four most important categories of work for the poorest, unskilled landless and lowest caste migrants. This includes (but is not limited to) the Musahar, Majhi, Dom, and other SCs.

3 They are prevented from breaking away from such jobs because of their limited skills, education and social networks. Discrimination at the destination is also a factor in keeping certain castes in certain jobs and perpetuating the strong segmentation that exists in migrant labour markets.

4 There are also strong indications that many migrants belonging to the broad and diverse category of OBC have become upwardly mobile, graduating from farm work to working in a variety of industries where earnings are higher. At the same time they have also become more spatially diversified, using their social networks to switch between destinations that are often quite far from each other in order to move up the job ladder in occupations that require similar skills. The result is that migrants from Bihar have now spread their networks to destinations all over India in a way that was not evident a decade ago.

5 The choice of destination is strongly determined by social networks – people from a particular caste and village tend to go to the same destination and into similar occupations. Distance and transport facilities are not as important in determining the choice of destination.

6 The attractions of city life have become a major factor in shaping migration decisions especially for young people and this explains in part high migration rates among the better off.

7 There is no doubt that migration and remittances have improved the standard of living of thousands of families in the poorest districts of Bihar.

¹ The Upper castes or Forward castes in Bihar are mainly the Brahman, Bhumihaar, Rajput and Kayastha

² Backward castes in Bihar are divided into two categories—Annexure 1 or Extremely Backward Classes (EBCs) and Annexure 2 or Other Backward Classes (OBCs). EBC include 109 groups and account for 32% of the population and OBCs include 32 groups and account for 20% of the population. The latter includes Yadavs, Kurmis, Banias, Koeri. In addition there are the Backward Caste Muslims. According to the 2001 census report, there are 13 million Muslims in Bihar, which has a total population of 83 million.

8 In the case of the poorest unskilled labourers, migration helps to smooth incomes and improve food security. Accumulation of assets is minimal and the costs in terms of children's education are high.

9 There has also been an increase in child migration from this class of migrants, especially from the northern districts and this has many exploitative aspects. Even if bringing in additional cash to poor households such migration has many aspects that are akin to trafficking which require urgent attention.

10 For the better educated and connected migrants working in industries, migration money is an important way of financing agriculture and the accumulation of assets. Migration is now viewed as a finite stage in the lifecycle of the household: as sons approach an age where they can be sent away to earn, the head of the household stays in the village to look after the farm and other enterprise.

11 Such migrants remit a sizeable proportion of their incomes and often work over time to earn as much as possible during their time at the destination.

12 But the costs of such migration may be high in social and health terms: long periods of separation causes loneliness. Working in industries with poor labour standards exposes workers to numerous hazards. Health complaints are common. Migrants are not fully aware of the health risks at work and often not in a position to demand protection. Being alone and away from the family may also result in more risky sexual behaviour at the destination and migrants are not fully aware of the risks of exposure to STDs, HIV/AIDS and other diseases.

13 Skill and education levels are strongly positively associated with wages.

14 The poorest migrants hand carry their earnings and face considerable risks of theft while travelling. Workers in other states send money through Money Orders and Bank Drafts. The popularity of electronic transfers through private agents is increasing because they are reliable, safe and fast although slightly more expensive.

15 Many migrants have brought back skills. In some cases these have helped to establish remunerative businesses but there are limited opportunities for utilising them locally due to poor infrastructure and marketing links.

16 The future of migration from Bihar is uncertain. Although most migrants and their families agree that they have benefited from migration on the whole, they feel that destination areas have become less welcoming and would like to secure a future for their children at home. Policy changes at the destination may also have adverse impacts as in the case of the ban of rickshaw pullers from parts of New Delhi and the ban on child labour in eateries.

17 It is very likely that more employment opportunities will become available in rural Bihar as new policies to promote industry and agriculture take effect and as the NREGS comes into force. But in the meantime it is imperative that projects aimed at the improvement of rural livelihoods should recognise the importance of migration as a deliberate household strategy. There is a need to move away from simplistic negative analyses that view migration mainly as a symptom of distress and start to develop ways of maximising its benefits for poverty reduction.

Specific steps that BRLP and WELPMGP should consider:

18 Develop a clear conceptual and operational framework for migration (a strategy and workplan) reflecting the points above.

19 Develop migrant support initiatives (especially for the most disadvantaged communities such as Musahar, Dom, Majhi, poor Muslims) in partnership with other World Bank funded projects and NGOs who have experience in the area. This could be taken up under the Bihar Rural Livelihoods Innovation Forum as well as the Innovation Fund of the WELPMGP.

Migrant support should aim to:

- Create awareness among migrants about their rights so that they can better protect themselves against exploitation (on work time, wages).
- Create awareness among migrants about health risks
- Create awareness about the dangers of trafficking to children and parents
- Improve their bargaining power through skills enhancement programmes and certification through partnerships with NGOs and government
- Reduce uncertainty in the job market by providing information on job availability, wages and duration of work.
- Recognise the vulnerability of those who are left behind in migrating households and devise ways of supporting them. The need for communication, representation in village institutions and remittance mechanism is greatest.

20 Improve the understanding of migration in terms of its patterns, drivers and impacts by building up a comprehensive database on migration by caste, gender, asset holding, occupation, duration and returns in their own project districts. In the case of WELPMGP this could be added to the gender-disaggregated database that is already being built up.

21 Help the poorest migrants to save and remit money to their families safely and efficiently. The WELPMGP report on financial services recognises the importance of remittances and mentions the need to study them in depth. This should be addressed under the first point on data collection listed above. Interaction with ICICI bank and NGOs working in the area of remittances should also be planned to explore possibilities of combining savings and insurance products with remittance services.

22 Help in creating the conditions for better investment of remittance in agriculture. This should be built into plans for developing agriculture, livestock and enterprise.

23 Take steps towards convergence with government and donor funded projects on health and education, bringing migration concerns on to their agendas.

In addition to the above, both projects should also address the problems faced by female migrants and women in households where the adult males have migrated especially in terms of

- Helping girls and women migrants (particularly those going to brick-kilns) in protecting themselves against sexual exploitation.
- Helping mothers to educate children who have to travel with their parents.
- Improving awareness of HIV/AIDs and STDs and help in approaching health professionals for support on sensitive issues related to sexual health.

Things that the projects cannot do directly but can support indirectly

24 Create flexibility in pro-poor programmes on food, education, health etc so that migrants can access them

25 Improve infrastructure so that people can migrate when they want to.

26 Improve the implementation of labour laws

27 Monitor the implementation of the NREGS to improve transparency and accountability

