Social and Economic Constraints of Migration: Evidence from India

Seema Sangita
TERI University, India
seema.sangita@teriuniversity.ac.in

Migration is touted to be an effective strategy for developmental process. Theoretical and empirical literature has supported the idea that migration would lead to improvement in wages and quality of life of the deprived individuals. However, the process of migration involves costs, which can act as a barrier to migration for the low income and low asset groups of individuals. Hence poverty, which is what migration process is posited to overcome, is itself the constraint to migration. In spite of the fact that India is a large nation with a long history and complex patterns of internal and international migration, there are limited studies of the interlinkages between income/wealth and migration. The goal of the proposed paper is to build a migration choice model and estimate it using data from a nationally representative household survey. A nuanced strategy would be developed to identify the effect of belonging to a certain income or asset class on migration decisions.

The interlinkages between migration and income run deep. The traditional theories of migration, like the Harris-Todaro (1970), were based on the logic of difference in the incomes in the rural and urban sector. The subsequent generation of models, such as Stark and Bloom (1985), explored migration from the perspective of agents who attempt to maximize their income, but face the constraints of costs of migration. Hence, a low income agent may not be able to migrate. At higher levels of income, there is a possibility of undertaking the cost of migration. But, at very high levels of income, the opportunity cost of migration may be too high and the agent may forfeit the option of migration out of choice. The idea of income as a prerequisite for migration may be extended to wealth – including financial capital, social capital and human capital – which may facilitate migration by improving the possibility of accessing employment opportunities in urban areas. On the flipside, incomplete credit markets, lack of access to education opportunities, lack of universal social security reduce ability of the agents to obtain financial and human capital and being a member of lower castes and religious minority groups may deprive an agent of social capital. All these factors may either reduce the initial income of the agent or increase the cost involved in the process of engineering a shift from one location to another. Various amenities, including public goods and services may act as enablers of migration by reducing the cost of migration. For instance, when roadways, railways and other transportation infrastructure or telephone networks are created, the cost of traveling would reduce.

The proposed paper is based on theory that migration tends to have an inverted U shaped relationship with income and wealth since at low levels of income/assets, the potential migrants may not be able to afford the fixed cost of migration. This has been elaborated by McKenzie and Rapoport (2007) and Dustman and Okatenko (2014) among others. Dustman and Okatenko (2014) demonstrate that wealth constraints can affect migration at the low end of the wealth distribution, where, migration faces binding constraints. However, as one progresses up the wealth distribution, there is an increasing tendency to migrate. Beyond a threshold, however, there is lower gains from migration and an increasing wealth may result in decrease in migration. They also show that sub-Saharan Africa and Asia are on the initial upward phase of the inverted U where increasing wealth is likely to result in increasing migration. Chernina et al (2013) find evidence of liquidity constraint of migration in Russia, which was eased out then the Stolypin land titling reforms were undertaken. Hence, there is a sharp increase in internal migration right after this reform. Beauchemin and Schoumaker (2005) find that increasing development in the sending region increases outward migration in Burkina Faso. In contrast Abramitzky (2010) show that lack of wealth may not be a constraint for migration in the context of Norwegian migration in the second half of 19th century.

There are relatively fewer studies on migration choice modelling in India. Shah and Kumar (2011) focused on the various attributes that influence decision of short term migration in India and evaluate whether there is any evidence of migration being used as a tool to escape poverty and if the initial characteristics of the migrants play a role here. Deshingkar (2010) contests the idea that there is a poverty constraint of migration. The study, based in Madhya Pradesh and Andhra Pradesh, demonstrates that migration tends to be greater in remote rural areas and among the chronically poor. However, both these studies look at very specific geographical areas.

This literature demonstrates that there could be a range of different wealth elasticities of migration in of the initial part of the inverted U curve. At very low levels of wealth, there may not be a movement up the curve, resulting in a poverty trap. The goal of this paper is to examine this issue at a national level using household level migration data from NSSO 64th round of survey. The expected outcome of this research project would be evidence of income and asset constraints of migration at low levels of migration. Further, there might be indication of distress migration at less than subsistence level of income and wealth, which defies the inverted U hypothesis.