

**Session 3: Realising the Potential for Poverty Reduction**

**Parallel Group 3A: Topic Paper 2**

# **Internal Migration, Poverty and Development in Asia**

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# Internal Migration, Poverty and Development in Asia:

## Including the Excluded through Partnerships and Improved Governance<sup>1</sup>

### 1. Introduction

*Internal migration* has greater potential for poverty reduction, meeting the Millennium Development Goals (MDGs) and contributing to economic growth in developing countries than does *international migration*. This is because of four things. First, internal migration stems from a broader base where smaller sums of money are evenly distributed to specific areas and poor families through internal remittances (rather than international remittances, which reach fewer people). Second, it is likely that internal migration will continue to increase at a faster rate than international migration.<sup>2</sup> Third, internal migration involves poorer people from poorer regions and has a strong role to play in achieving the MDGs. Fourth, it is an important driver of growth in many sectors including agriculture, manufacturing, construction, coastal economies and services.

The core argument of this paper is that the potential benefits of internal migration are not being fully realised because of an inadequate understanding of migration patterns (especially temporary and circular migration), continuing policy barriers to population movement, urban middle-class attitudes, social exclusion on the basis of ethnicity, caste, tribe and gender and poor enforcement of legislation meant to protect the rights of the poor.

The paper begins with a discussion on the reasons for recent increases in internal migration. It then goes on to describe the policy positions on internal migration, which have usually tried to control population movement but have rarely succeeded. The experiences of four Asian countries: India, China, Indonesia and Vietnam are discussed in detail, in order to provide contrasting policy positions and give some contextual scenarios of migration. China and India have been chosen because of their significance<sup>3</sup> and because they have taken different approaches to migration at the policy level and there may be opportunities there for cross-learning. Indonesia and Vietnam provide interesting insights on mobility, patterns of development and implications for poverty reduction. All four countries have recently witnessed an increase in population movement, due to deteriorating opportunities in traditional/low yield agriculture and increased opportunities in urban areas; manufacturing and high productivity agriculture. The last section identifies issues which need immediate policy attention, namely liberalising labour movement, social security and financial

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<sup>2</sup> From opening remarks by Frank Laczko, Head of Research, International Organisation for Migration, at the IOM-SSRC-ESRC Workshop on Migration and Development Within and Across Borders: Concepts, Methods, and Policy Considerations in Internal and International Migration, 17–19 November, 2005, New York.

<sup>3</sup> Migration in these two countries alone exceeds total international migration worldwide.

services for migrants, urban infrastructure, building human capacities and improving data and information on migration.

## 1.1. Growing Population Mobility

The internal movement of people due to work etc. is not new. However, there is persuasive evidence from locations across Asia that population mobility has increased at an unprecedented rate in the last two decades. What is especially striking is the increase in temporary and circular movements which include a spectrum of movements from trips that last several months, to daily commuting for work.<sup>4</sup> The overall effect is that while more people are moving permanently out of rural areas to urban areas, a growing number of people are also migrating temporarily or circulating between villages and other destinations. Circular migration<sup>5</sup> appears to be emerging as the dominant pattern of movement of poorer groups who keep one foot in the village either by necessity or choice.

## 2. Trends: Numbers, Migrant Profiles

National statistical datasets in the four countries under review show an increase in permanent migration.<sup>6</sup> But national statistics fail to capture temporary movements and the main sources of information on these are micro-studies, which cannot be regarded as representative at the aggregate level. Nevertheless, a combination of national statistics and micro-studies can be used to develop a picture of migration trends, as summarised below. In general, migrants come from poor regions (but not always the poorest regions because the poorest lack even the most basic assets needed for migration; de Haan 2005). All across Asia, the migration of women for work either with their families or on their own has increased due to new opportunities for women in industry and/or because social norms relating to women's work are changing (Clawen 2002; Piper 2002). The age profile and education levels of migrants vary significantly by country.

### 2.1. China

There has been a continuous outflow of labourers from more populous agricultural areas to the industrialising regions in China. While half of these movements are inter-provincial from the under-developed parts of the country to the east coast, the rest are intra-provincial rural–urban movements within the eastern provinces. The number of migrants has increased dramatically over the past two decades from about 26 million in 1988 to 126 million in 2004. The majority of these

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<sup>4</sup> Daily and weekly commuting are usually excluded from the category of temporary/circular migration and the same practice is followed in this paper.

<sup>5</sup> Circular migration has been explained in the development literature as a contract of mutual cooperation and insurance between sending families and the migrants themselves, which occurs due to failures in urban and rural markets (see Kuhn's 2000 study on Matlab in Bangladesh). The logic is that urban markets do not offer high quality employment because the contracts are usually informal and do not carry social security/insurance. Rural areas do not offer access to much needed capital and therefore circular migration enables the household to access urban capital while maintaining rural security by maintaining the option of farming. Thus access to land is a critical element of circulation. According to this theory, the movement of entire families or the spouse to the destination and/or losing access to land in the village signifies the beginning of the end of circulation. But evidence does not always corroborate this – entire families may migrate seasonally year after year; there are millions of landless circular migrants and there may be a host of other reasons for choosing to keep a foothold in both locations.

<sup>6</sup> A migrant is usually defined as someone who is not resident in his or her place of birth. Migrants thus include people who have moved for marriage, education or other reasons and not just those who have moved for work.

migrants are circular migrants who retain strong links with their rural family. They are also termed the 'floating population' of China. In addition, there are an estimated 200 million rural labourers who are potential migrants. Current projections suggest that between 12 and 13 million migrants will move to urban areas each year over the next two decades. Around 70 per cent of migrants are aged between 16 and 35 and they view migrating as a life stage between leaving middle school and returning to marry and have children.

## **2.2. India**

The latest data on migration released by the Government of India (GoI 2005) based on the Census of 2001, show that migration has increased: 30 per cent of the population or 307 million people were classified as migrants compared with 27.4 per cent of the population or 232 million people out of the total population of 838 million people in India in 1991. Of these, nearly one-third had migrated in the previous decade. However of the total, nearly 44 per cent had moved for marriage (mainly women) and only 14.7 per cent had moved for employment. Rural–rural migration continued to account for the bulk of movements (54.7 per cent) but had reduced during the previous decade. Movements from one urban area to another accounted for 14.7 per cent and the rest were urban–rural migrants. Rural–rural movements are mainly over short distances, while rural–urban migrants cover greater distances, often travelling to different states. While there are no official estimates of temporary migration, there is an informal estimate of 30 million, which is 10 million up from the informal estimate of Deshingkar (2005). Labour-sending areas are typically agriculturally backward and poor and emerging destinations are towns and cities, industrial zones, coastal areas for fish processing and salt panning. High productivity agricultural areas ('green revolution areas') continue to be important but more migrants are opting for non-farm employment because of greater returns. Migration rates are high among the most and least educated. Unlike East and South-east Asia, illiterates appear to dominate seasonal labour migration (Rogaly et al. 2001; Haberfeld et al. 1999).

## **2.3. Indonesia**

While labour mobility has been a longstanding feature of Indonesia, its rapid increase has recently attracted attention (ILO 2004). Not only has the scale of movement increased but so has the diversity with respect to the type of movement and the profile of migrants. Census data for the last 30 years show an increase in inter-provincial migration especially in the case of women. Nearly one-fifth of the movement was return migration. Here too official statistics do not capture temporary movements but a large number of studies by Hugo and others document a steady increase in circular labour migration with workers leaving their families in their home communities and working in destinations for periods of one week to two years.

## **2.4. Vietnam**

There has been an increase in permanent migration, especially to the large cities of Ho Chi Minh City and Hanoi as well as the industrial areas surrounding these cities (General Statistics Office 2005). But censuses do not capture seasonal and temporary migration in Vietnam, most of which is to urban areas and to rapidly industrialising zones (Guest 1998; Djamba et al. 1999). Roughly 20

per cent of intra-provincial movements during 1994–9 were rural–urban, approximately 36 per cent of inter-provincial moves were from rural–urban areas.

Similar evidence is emerging from other Asian countries such as Bangladesh, Pakistan, Afghanistan, Cambodia, Lao PDR, Thailand and Mongolia.<sup>7</sup>

### **3. Important Drivers of Migration in Asia**

There are many factors that drive migration. While some are common to several Asian countries, such as regional inequality, under-employment in rural areas and the spread of labour intensive industries, other factors differ depending on the history, culture, policy environment and social structure of the country. We review some of the main drivers of migration that appear to be common to many Asian countries today in order to draw policy attention to their significance and the magnitude of movements that they are causing.

#### **3.1. Growth Concentrated in Some Pockets and Growing Inequalities**

Uneven development and marked spatial inequalities characterise many Asian countries today (Balisacan and Ducanes 2005; Kanbur and Venables 2005). But at the same time, there has been a dramatic improvement in communication and transport facilities which has created the conditions for the large-scale internal movement of people at unprecedented levels.

China is now the fastest growing economy in the world but also has the highest level of inequality in East Asia (Balisacan and Ducanes 2005). Migration from the poorer western regions of China to the better off eastern regions, especially since the mid-1990s, has been attributed to such differences (Song 2004) and the relaxing of population controls.

Most South-Asian economies have experienced increases in inequality recently mainly due to unequal access to land and education. The experience in South-east Asia is more varied: Indonesia has relatively low levels of inequality due to more equal access to land and education but these levels rose in the 1990s and appear to be driving internal migration to some extent. Inequality in Vietnam and Thailand is mainly due to urban–rural disparities (Pasruk and Isra 2000).

It needs to be stressed however, that the relationship between income inequality and migration is not clear-cut and cannot be generalised. For example, both India and Indonesia have relatively low levels of income inequality but very high and increasing levels of internal migration. Also, the relationship between migration and inequality is two-way: inequality may drive migration and migration has an effect on inequality both within the sending area and between regions. We return to the latter issue under the impact of migration on poverty and inequality. Non-income inequalities related to caste, tribe, gender and ethnicity are also extremely important in shaping migration streams and this issue is covered later.

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<sup>7</sup> Bangladesh (Afsar 2003); Pakistan (Gazdar 2003); Cambodia (ADB 2001); Lao PDR (Acharya 2003); Mongolia (Tsogtsaikhan 2003); Afghanistan (Aftab 2005); Pakistan (Gazdar 2003). See also IOM 2005.

It is very likely that migration, especially circular migration, will continue either until the gap between different regions narrows down or until conditions in the sending area become so unsustainable that populations have to move out altogether.

## **3.2. High Growth Rates Driven by Labour-intensive Production and Services**

Labour-intensive manufacturing, construction and urban services are attracting large numbers of migrant workers from under-developed regions.

### **3.2.1. Construction, Processing and Manufacturing**

In Indonesia for example, construction activity in the cities as well as rural areas has been one of the most significant forces attracting male labourers from the agricultural sector since the early 1980s. In addition, small rural industries employ significant numbers of landless and marginal paddy farmers for part of the year. It is known that most rural labourers in Java pursue multiple income-earning activities combining a portfolio of farm and non-farm activities. In general, labour mobility is greatest between rural/agricultural regions and the urban informal labour markets.

Similar patterns prevail in India where the developed Western and northern states such as Punjab, Maharashtra and Gujarat are major destinations for inter-state migrants from the poorer eastern and central states of Orissa, Bihar, Uttar Pradesh and Madhya Pradesh. There is also much rural–urban movement of people within states with sharp regional inequalities such as Andhra Pradesh, Tamil Nadu and Rajasthan. Migrants are destined for work in many different subsectors of manufacturing, construction and services. For example, there are large numbers of migrant workers in sand mining and stone quarrying in Rajasthan and Madhya Pradesh; fish/prawn processing and salt panning attracts large numbers of migrant labourers all along the coastal areas of Andhra Pradesh, Gujarat; powerlooms and diamond polishing businesses in Gujarat attract migrants from Orissa and so on.

Export-oriented labour-intensive industries are also significant employers of migrant labour across several Asian countries including Cambodia, Bangladesh, Sri Lanka and Vietnam. But these industries can be vulnerable: the end of the Multi-Fibre Agreement in early 2005 will have far-reaching impacts on migrant workers who will be laid off and unless efforts are made to re-train workers and open up other areas for diversification there is a danger that they may enter dangerous and illegal occupations.

### **3.2.2. High Productivity Agricultural Zones**

Rural–rural labour migration of poor people from marginal regions to more prosperous agricultural areas is widespread in countries with sharp regional differences in productivity and wages and low/moderate levels of mechanisation. Examples from India include migration from drought-prone areas of Uttar Pradesh, Bihar, Orissa, Andhra Pradesh and Tamil Nadu to the fields of Maharashtra, Gujarat, Punjab and Haryana. For example, research in the drought-prone areas of West Bengal by Rogaly et al. (2002) estimates that over 500,000 lower caste people migrate seasonally to the rice-growing areas of the state.

There is some indication that a switch from rural–rural to rural–urban circular migration is occurring in areas where agricultural employment is shrinking and industrial jobs are being created either at the same destinations or elsewhere. The latest official data on migration based on the 2004 Vietnam Migration Survey which covered 5,000 migrating households to three major destinations (cities, industrial zones and rural areas)<sup>8</sup> show that temporary migration to industrial zones is increasing and at the same time rural–rural migration to the Central Highlands has dropped as the prices of agricultural products such as cashew nuts, pepper, rubber latex have decreased. Similar evidence has emerged from some studies in India. Karan's (2003) study of migration from Bihar for example, documents how migrants who used to go to Punjab for work in agriculture are now travelling to urban centres and industry in other destinations. Another study of tribal migration from Orissa shows that migration has changed from the rural–rural migration of the pre-1980s to rural destinations in Bihar and West Bengal, to rural–urban migration to far away metropolises such as Delhi, Kolkata and Mumbai (Jha 2005).

While it is not possible to say that these studies show a definite trend, it is likely that urban and manufacturing opportunities will become more attractive to internal migrants.

### **3.3. A Large Pool of Under-employed Rural Poor**

A common feature across several Asian countries is that agriculture alone cannot sustain rural livelihoods. Take the case of Vietnam which has the highest population density per hectare of crop land in South-east Asia, at 11 persons. Crop land covers only 20 per cent of the land area. But rural economies are heavily natural resource and agriculture-based, with 80 per cent of the population depending on such occupations. Agricultural productivity is low (rice yields are less than half those of China) and is increasingly unable to sustain the local population. In Cambodia, landlessness is growing at the rate of 2 per cent per year and the growing unemployed labour force is migrating to towns and cities in search of work. Migration is most pronounced from the densely populated provinces of Kompong Cham, Prey Veng, Kandal and Takeo, which, according to the 1997 socioeconomic survey, are characterised by small farm size, below one hectare (Godfrey et al. 2001). Similar evidence has emerged from Thailand where rural–urban flows have increased as the chances of acquiring more farmland have decreased and there are few other means of earning. At the same time, the urban labour market has grown in Bangkok, and adjacent peripheral areas of the Central region, where new industrial facilities are emerging (Osaki 2003). It has been argued that the increase of female migration to the sex industry in Thailand is partly fuelled by shrinking opportunities for women in agriculture as productivity has increased.

In India too, the rate of job creation and real wage increases in agriculture have slowed down. Causes include worsening land-person ratios, water scarcity, crashing commodity prices after market liberalisation and persistent drought. Nearly two-thirds of the arable area in India is semi-arid and drought prone and many of these areas show very high rates of seasonal migration. A

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<sup>8</sup> Area 1: Hanoi; Area 2: Northeast Economic Zone, including Quang Ninh, Hai Phong and Hai Duong; Area 3: Central Highlands, including Gia Lai, Dak Lak, Dak Nong and Lam Dong; Area 4: Ho Chi Minh City; and Area 5: The South-east Industrial Zone of Binh Duong and Dong Nai.

study of Bolangir district in Orissa estimates that nearly 60,000 people migrated during the drought of 2001 from that district alone (Wandschneider and Mishra 2003). Bolangir is one of the three infamous KBK (Koraput-Bolangir-Kalahandi) districts in Orissa with low levels of agricultural production and persistently high levels of poverty. Madhya Pradesh shows similarly high levels of out-migration from both drought-prone and forested tribal areas. For example, Deshingkar and Start (2003) found that more than half the households in four out of six study villages in Madhya Pradesh included migrant family members. The proportion was as high as 75 per cent in the most remote and hilly village with infertile soils. A study by Mosse et al. (1997) of the first phase of the Western India Rainfed Farming Project (Madhya Pradesh, Gujarat and Rajasthan) funded by the Department for International Development (DFID) revealed that 65 per cent of households included migrants. Dayal and Karan (2003) studied 12 villages in the tribal forested state of Jharkhand and found that one-third of the households had at least one member migrating.

It has also been argued that China's WTO accession in 2001 has accelerated rural to urban labour migration from the interior provinces. Owing to cheaper grain and food imports, the livelihoods of an estimated 10 million farmers are being eroded (Qu 2005, in Murphy 2005).

### **3.4. The Future (until 2015)**

Given current development patterns and future projections on urbanisation, the growth of manufacturing and agricultural development, it is very likely that internal migration, both temporary and permanent, will persist and grow. There will be a transfer of populations from rural/agriculture to urban/non-farm areas and occupations but the rate at which this will occur is uncertain.

Demographic factors also matter – there will be more migration where the population of young adults continues to grow but in countries such as Thailand where this is likely to slow down, migration streams will also be affected. Circular migration is likely to continue and increase in South Asia where growth is likely to be limited to a few areas, employment is predominantly informal in the destination areas and where structural problems in the countryside continue to hamper access to capital and rapid poverty reduction.

Permanent rural–urban migration may increase if restrictions to settling down and claiming benefits are removed and if access to village life is not regarded as important or necessary by potential migrants. It is possible that with efforts to introduce social security for migrants in India; the reform of the Hukou system in China and the KT system in Vietnam, the urban environment will become more welcoming and secure for migrants. This would speed up the transfer of populations from rural to urban areas and the transformation into more urbanised societies.

## **4. Migration, Poverty Reduction and Economic Development**

Although nationally representative data on internal remittances are lacking in most countries, which hampers our understanding of the role of migration in poverty reduction and development, there is



mounting evidence through micro-studies as well as larger surveys that migration can reduce poverty, inequality and contributes to overall economic growth and development.<sup>9</sup>

#### **4.1. Poverty Reduction at the Household Level**

The volume of internal remittances is vast. In China it is estimated that each migrant labourer sent home on average 4,522 yuan (US\$545) in the year 2000. The Coalition for the Urban Poor (CUP) in Bangladesh estimates that migrants in Dhaka send up to 60 per cent of their income to relatives. For these households, remittances provide up to 80 per cent of the household budget. According to the 2004 Migration Survey of the Government of Vietnam, which covered nearly 5,000 migrant households across 11 cities and provinces, more than half had sent money to their households of origin. Over two-thirds had sent over one million Dong within the previous year.

Remittances are used to finance a range of expenses including food, health, weddings, funerals, schooling etc. and even if not spent directly for 'productive uses', such spending can have an overall positive impact at the household level by freeing resources for other productive uses. And even if not *reducing* poverty directly, remittances are probably helping to *sustain* rural livelihoods by preventing people from sliding further into poverty which would be the prospect facing them had they depended solely on a deteriorating agricultural base. The evidence from Vietnam illustrates this powerfully; a recent study synthesised a number of studies which show that remittances have played a critical role in supporting rural households. The important role for remittances in repaying debt and providing investments in human capital through supporting educational and health expenses was documented. Other research in Vietnam has also shown that the vast majority of migrants benefit economically from their moves. Recent research in China found that remittances have an important effect on measured poverty rates of both the migrants themselves and the household members left behind. The evidence from South Asia is more mixed but there appears to be growing evidence of the poverty reducing effects of migration. For example, a recent survey conducted in 12 villages in the poor state of Jharkhand found that 98 per cent of the migrants reported an improvement in their lives because of migration. Migrant households had a better diet and spent on average 15 per cent more on food than non-migrating households. In Bangladesh, it was found that the extent of poverty was much lower (around 30 per cent) for households having migrant members than for non-migrant households (around 60 per cent). In a study of garment manufacturing unit workers, it was concluded that migration had brought people out of poverty. In Cambodia, a survey conducted by the CDRI in 2000 found that more than half of the households with a long-range migrant were able to meet short-term food and farming requirements. Almost all short-range migrants were able to save money. They also reported development of skills, such as construction and tailoring.

#### **4.2. The Impact of Migration on Inequality**

Here too the evidence is ambiguous: some studies suggest that remittances are inequality increasing (e.g. Rodriguez, 1998 and Leones and Feldman 1998 in the Philippines; Adger 1999 in Coastal Vietnam) but others suggest that they reduce both inequality within the sending rural areas

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<sup>9</sup> For more on migration and poverty, see IOM (2005).

and inter-regional inequality, e.g. Bangladesh (Afsar 2003), Thailand (Guest 2003; Osaki 1999; Yang 2004) and Vietnam (IIED 2004). Remittances are thought to stimulate the land market in the sending areas, increase local wages and the demand for local goods and services and generally improve the economy. Using case studies across Central America, Eastern Europe, West Africa and South Asia, Black et al. (2005) conclude that the relationship between migration and inequality is highly context specific and depends on political, economic and sociocultural institutions, which are crucial to the ways in which wealth, power and opportunity are distributed within societies.

### **4.3. Migration and Economic Development**

Migrant labour has clearly contributed to economic development through the kinds of subsectors described above but precise estimates on this contribution are not available. Based on data from Bangladesh, China, Vietnam and the Philippines Anh (2003) concludes that migration is a driver of growth and an important route out of poverty with significant positive impacts on people's livelihoods and well-being. In the case of China, Murphy (2005) notes that migration has made major contributions to development, by accelerating economic growth, building up cities and establishing rural–urban linkages and return flows. Research by Chinese scholars estimates that labour migration from rural to urban areas contributed to 16 per cent of total GDP growth in China over the past 18 years. They argue that migration has remained one of the key reasons that China has been able to sustain GDP growth rates above 8 per cent over the past 25 years. A cheap and literate workforce has given China a competitive advantage relative to other countries. It has also been noted that migration has stimulated the transport sector.

Migrants who return after they have come to the end of their contract or planned stay at the destination often bring back skills and technical know-how which they then invest at home. A majority of the entrepreneurs set up businesses in nearby towns and small cities rather than villages. Even though the absolute numbers of returning migrants who are entrepreneurial may be small, their role in setting up businesses means that their impact may be greater than the numbers alone suggest (Murphy 2002).

## **5. Official Positions on Migration: Restricting Access to Urban Areas**

The evidence reviewed so far shows that although a majority of poor migrant workers end up working in informal sector jobs, they may be able to exit poverty themselves and migration can contribute to development in both sending and receiving areas. Yet, migration continues to be viewed negatively by many policy makers. Most governments have tried to control rural–urban movement through a combination of rural employment creation programmes, anti-slum drives and restricted entry to urban areas. While some have relaxed some restrictions recently, others continue to design policies and programmes that will discourage people to move. Although China has recently removed all controls on population movement, the right to settle is still restricted. The household registration (hukou) system will not permit a rural resident to claim State benefits in an urban area. The landmark year of 1984 was when farmers were first officially permitted to move to

the cities to seek jobs. Since then, successive regulations have made it progressively easier for farmers to move.

India, while not implementing direct controls on population movement, has a range of policies that indirectly work against migrants. For example, people who are classified as 'Below the Poverty Line (BPL)' are entitled to subsidised food, education, healthcare and a range of other benefits. The proof of BPL status is a 'ration' card but this is issued on the basis of place of residence and cannot be used to claim benefits in another village, town or city. Added to this are regular urban slum clearances where municipal corporations bulldoze unauthorised settlements.

Vietnam has an elaborate and complex KT system of classification for residents in urban and rural areas: KT1 indicates that a person is registered in the district where he/she resides; KT2 indicates that the person is not registered in the district where he/she resides, but registered in another district of the same province; KT3 indicates a person who has temporary registration for a period of six months or more; KT4 indicates a person who has temporary registration for less than six months (GSO 2005). Only those with KT1 registration have full entitlements to government services, the rest must pay for them or are excluded.

Indonesia has taken several measures to re-direct population movement to rural areas or provinces which have labour shortages but does not encourage rural–urban migration due to concerns about pressure on urban areas (Munir 2002).

Despite these measures, people have continued to move but have faced unnecessary hardship in doing so because they are often perceived as engaged in illegal activities. There is an urgent need to reform policies related to migration and also make other policies which may indirectly affect migrants, more migrant friendly.

## **6. Migrants Remain Politically, Socially and Economically Excluded**

Although poor migrants have contributed significantly to economic growth and gained from higher wages in higher productivity areas, they remain socially and economically excluded from the wider benefits of economic growth such as access to health and education, housing, sanitation and freedom from exploitation. Across Asia, nearly all temporary migrants and new arrivals who intend to stay permanently but who have moved without formally acquiring a house or a job are regarded as illegal. This brings a host of problems for migrants and their families.

Migrants live in temporary and insecure accommodation in host areas, which are usually prosperous and highly developed and are barred from accessing social and economic benefits that are taken for granted by the legitimate residents of the host area. In Vietnam for example, temporary migrants usually live in informal, low-income settlements which are on the margins of society, where they pay four to five times more for electricity and seven to eight times more for water. Migrants' children have limited access to state schools and must thus be sent to more expensive private or semi-public schools. They are often not eligible for social services provided

under the Hunger Eradication and Poverty Reduction Programme, which includes low-interest loans, free healthcare and exemption from school fees. Although the Vietnamese government provides some free healthcare for its population, access is not equal throughout Vietnam and many have to resort to private healthcare (Deshingkar et al. forthcoming). In India too migrants often live and work in almost subhuman conditions. According to the Human Development for Punjab (UNDP 2004), migrants in some sectors are subjected to slavery. This is despite the number of laws and regulations that have been designed to protect migrant workers against exploitation.<sup>10</sup> In Punjab for example, not a single migrant worker has been registered under this Act, although the state receives more than 2 million migrant workers.

Childcare and schooling are rarely accessible to migrants' children and the majority of infants and children who accompany their parents have to spend their days in highly polluted, dangerous and unhygienic conditions. Surveys suggest that in 2003, there were 6 million migrant children in Chinese cities. Migrant women and adolescent girls are very prone to sexual exploitation and it is thought that migrant populations are more prone to infections such as tuberculosis and HIV/AIDS (see for instance Hugo 2001 on HIV/AIDS and Migration in Indonesia and Community Action for Preventing HIV/AIDS in the Greater Mekong Subregion).<sup>11</sup> Unless urgent steps are taken to develop migrant-friendly services, migrant populations are less likely to reach the targets specified under the MDGs, especially those that are related to education, the environment, women and children's well-being and health.

## **6.1. Excluded Minorities**

Even within the broad category of migrants there are important differences in terms of access and entitlements based on ethnicity. In Vietnam, migrants who come from minority groups earn half as much as those from the Kinh majority, are far less likely to have a work contract, to receive help in finding a job and far less likely to find work in a government organisation (Deshingkar et al. forthcoming). Similarly in Lao PDR, young women and men from ethnic minorities migrating from remote areas to towns and cities are at great risk of exploitation because of their limited knowledge of Lao. This severely limits their ability to engage with healthcare workers, extension workers, traders and others outside the village.<sup>12</sup> In Indonesia too, minorities have faced difficulties in integrating into mainstream labour markets due to language differences. There are more than 200 distinctive ethno-linguistic groups and although universal education has helped to some extent, difficulties in integrating with the mainstream remain.

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<sup>10</sup> For example, the Interstate Migrant Workman (Regulation of Employment and Conditions of Service) Act of 1979 sets out the employment conditions for inter-state migrant workers who are employed through contractors or middlemen in establishments, which employ five or more such workmen per day. It includes provision for residential facilities, medical aid, adherence to minimum wage and resolution of industrial disputes.

<sup>11</sup> [www.jfpr-hiv.org/index.htm](http://www.jfpr-hiv.org/index.htm)

<sup>12</sup> National Poverty Eradication Programme, 8th roundtable meeting, Vientiane, 4–5 September 2003, Government of Lao PDR.

## 6.2. Caste

In India, a large proportion of migrant workers belong to the lower castes and tribes<sup>13</sup> who have a poorer asset base than other social groups. While some have argued that migration provides an escape from traditional structures of caste-based oppression in villages and gives poor labourers some bargaining power *vis-à-vis* their traditional employers, others maintain that structures of oppression are reproduced through labour contracting arrangements at the destination and may even be more exploitative (Mosse 2002; Olsen and Ramanamurthy 2000).

Certain occupations and sub-sectors have started to attract attention for being especially exploitative where power relations are based on caste. Brick kiln workers are one such category where entire families are lured and deceived into bonded working conditions. A study by ActionAid in 2001 on migrants from Western Orissa going to Andhra Pradesh and Tamil Nadu found that skilled workers are paid Rs 43 for 14 hours of work and unskilled workers are paid Rs 22. Roughly 200,000 people migrate from two drought prone districts of Dharmapuri and Salem alone in Tamil Nadu to Kochi in Kerala for brick kiln work.

## 7. Policy Responses

Facilitating or at least not hampering the movement of people from low-productivity areas to high productivity areas is now being viewed as an effective way of reaping the gains from localised growth in globalising economies that are experiencing growing rates of inequality (Kanbur and Venables 2005). But managing migration in order to maximise the benefits while the reducing costs and risks requires effective partnerships between governments, civil society, private sector organisations and donors. Different kinds of policy responses are required in the case of permanent and temporary migration and these are dealt with separately below. Under each, possible modes of partnership are discussed.

### 7.1. Policy Responses to Circular Migration

#### 7.1.1. Removing Controls on Labour Circulation

Circular labour migration can yield strong win-win outcomes for most concerned. Based on evidence from 17 countries, the recently released Global Prospects Report 2006 on Migration and Remittances by the World Bank argues that controls on labour migration should be relaxed in order to maximise benefits for both poor and rich countries. The main stakeholders that stand to lose from the process are labourers in the receiving areas but even that may not be an issue if segmentation in the market creates jobs that only migrants can fill. Similar arguments apply to internal migration where State boundaries often work in the same way for migrants. Supporting circulation would have the added advantage of easing the pressure on urban areas.

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<sup>13</sup> Deshingkar and Start (2003) for example, found that the scheduled tribes had higher migration rates in Andhra Pradesh and Madhya Pradesh. Similar observations have been made by Dayal and Karan (2003) regarding Jharkhand: whereas 15 per cent of scheduled castes and tribes migrated, only 8 per cent of upper castes and 3 per cent of 'other backward castes' migrated. A study by Jagori, an NGO on migration in Rajasthan found that 95 per cent of the migrants congregating at recruiting are dalits coming from Bhilwara, Ajmer, Tonk, Kota. The latest Human Development Report for the state of Punjab notes that many migrants coming in to the State from Bihar and UP are dalits and tribals.

However, policies and investment priorities must be developed in accordance with existing national priorities. In China for example, the government views circular migration as standing in the way of making China into a modern urban nation because it hinders the complete movement of people off the land and the formation of large-scale mechanised farms. Even so, Chinese policy makers recognise that in the absence of hukou reform, secure urban employment and access to social security, circulation will continue and is advocated as a medium-term solution to rural poverty within the context of a longer-term objective of urbanising China (Murphy 2002). On the other hand, India views its villages and agriculture as the engine of rural growth, poverty reduction and continues to pursue a small farmer model of development. India currently invests in excess of US\$1 billion in watershed development, but fewer public resources are available for pro-poor urban infrastructure and transport. Policy needs to recognise that rural livelihoods in marginal areas are strongly linked to urban development and manufacturing and re-allocate resources accordingly.

The development of small towns could be an important area for partnership programmes. The DFID-funded Andhra Pradesh Urban Services Project is certainly a step in the right direction but it does not cover small and medium towns. The project has developed effective partnerships between government and NGOs especially in the areas of livelihoods, gender and social development analysis which have helped in the identification of vulnerable groups and the development of interventions that can help them.

### 7.1.2. Providing Services to Temporary Residents

In order to liberalise but regulate labour migration, it is essential for state/province governments to cooperate with each other to develop flexible social services and pro-poor schemes that can be accessed by people on the move. There are no easy answers and specific interventions will need to be devised through piloting and learning. Donors can play an important role by supporting pilot programmes on migrant-friendly services. DFID India has recently initiated steps to set up a national 'hub' on migration, with a view to creating dialogue on such issues between researchers, civil society organisations and policy makers at the national and regional level. There will be useful lessons on health, education and housing from this initiative that could inform donor funded projects in other Asian countries.

## 7.2. Policy Responses to Short and Long-term Migration

### 7.2.1. Remittance Services

As noted earlier, the volume of internal remittances is very large.<sup>14</sup> Sending money home can be an expensive and risky affair for migrants for several reasons. First, migrants with low levels of education and few assets usually do not deal with formal banks and financial institutions. They rely on friends, family and other informal channels such as the hundi system to remit money. Theft, cheating and delays are common. Facilitating remittance flows is one area where more work is

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<sup>14</sup> In China, a Ministry of Agriculture sample survey of 20,089 rural households estimated that, in 2004, the remittance contribution by migrant workers to rural household incomes was about to overtake earnings from agriculture (quoted in Harris 2004). These projections were made on the basis of the previous year's figures, where the 98 million or so rural out-migrants remitted roughly US\$45 billion (Rmb 370 billion), up 8.8 per cent from the previous year.

needed. There are successful initiatives and experiments at the international level but financial channels within countries are still not suitable for migrant workers. One example related to internal remittances is the ICICI bank in India, who is currently conducting household surveys in several states with a view to developing financial services for poor migrant labourers.

### 7.2.2. Protective Legislation and Social Security for Migrants

In India, NGOs and other civil society actors have started to recognise the need for supporting migrants in gaining access to remunerative work, schooling, healthcare, training, safe working conditions and adequate housing. There is now active dialogue between government, academics and civil society on developing a nationwide social security system for migrant workers.<sup>15</sup> The Chinese government is also making efforts to increase the pressure on employers and local government to look after migrants through a number of directives including:

- The abolishment of unfair restrictions on rural labourers seeking work in urban areas
- Guarantees that migrants' wages are paid on time
- Improvements in the occupation health and safety environment of migrants
- The provisioning of free legal and skills training for migrants
- The provisioning of education for migrants' children that is of the same quality as the education received by urban children
- Improvements in the administration of migrant populations with regard to family planning, children's schooling, healthcare provisioning and legal aid services.

There are important opportunities for cross-learning and this could be stimulated through exchange visits between government officials, NGO staff and academics/policy analysts.

There do not appear to be any examples of interventions that have specifically sought to address the exclusion experienced by minorities and lower castes. However, most NGO migrant support programmes do recognise the discrimination faced by such vulnerable groups. In fact, NGOs are often better placed to identify and articulate the needs of minorities because of their close relationship with their constituencies and focus on structural issues, power relations and inequality. Future programmes that seek to address social exclusion should be developed in partnership with civil society organisations.

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<sup>15</sup> In August 2005, a National Level Consultation was organised by the Institute of Human Development with funding from DFID and the ILO. The objective of the meeting was to bring together NGOs from all over the country to discuss the needs of migrants in the area of social security in order to inform the draft Bill on Social Security being prepared by the government of India.

### 7.2.3. Building Human Capacity/Capital

Low educational attainment is known to be a major factor underlying the exclusion of the poor from the opportunities that come with economic growth (Ravallion and Datt 2002) and there are strong correlations between caste, tribe, gender and education. Building education and skills are important in helping poor and discriminated against people to break away from oppressive and low paying jobs.

A well-known example from China is the Ministry of Agriculture initiative launched in 2003 of providing free vocational training for rural people who are preparing to migrate or who are already in the cities. The programme is now working well due to the combined efforts of NGOs, government and academics. Other tripartite partnerships have initiated migrant art projects aimed at building social capital among migrants and reducing urban public prejudice against them.

## 7.3. Improving Data and Information on Migration

National statistics are usually unable to capture temporary movements and part-time occupations and therefore severely underestimate temporary migration. Also, research and studies on poverty often completely miss out migration and remittances, thus seriously underestimating the role of urban growth in rural livelihoods.

There is also a need to gain a better understanding of the diversity in migration streams in terms of who goes (men only, men and women, entire families, groups of adolescent girls or boys etc.), the duration (one week to several months), distance (within the district, to the neighbouring district or cross country) and the returns.

These deficiencies need to be set right urgently and donor funding could provide the resources needed. A good start would be to incorporate modules on migration for work into existing surveys such as censuses. Qualitative methods are also important in order to understand the importance of social factors in the migration process: intra-household and gender dynamics and how these shape decisions and remittance patterns; the role of history and culture in the development of specific migration streams; power relations/corruption in labour contracting arrangements and exclusion based on caste or ethnicity. While it will not be possible to fine-tune interventions for each specific migration stream, there is a need to accommodate these concerns as far as possible.

## 8. Conclusion

Policy makers need to recognise the importance of migration for poverty reduction and development. Policy should aim to ease the hardship of migrants and facilitate a flexible labour force in the short term in order to distribute the benefits of growth as evenly as possible. But there is a need to build human capabilities over the long term so that people who currently have to depend on such livelihood strategies can diversify into more remunerative options.



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