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Migrant Workers in Ludhiana

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2.1 Introduction

An important aspect of Industry–Agriculture, or Urban–Rural Linkage in broader terms, occurs in the labour market. This is through the movement of rural workers, who would have otherwise engaged in agriculture, to urban industry. This type of linkage consists of a) rural-urban migration, b) commuting from nearby villages to urban industries, and c) sub-contracting of certain production processes to establishments located in nearby villages including job work provided to women of rural households.

Unlike the backward and forward linkages in the product market, migration involves the flow of labour force from rural to urban areas with a simultaneous income transfer in the opposite direction. Workers in urban centres consist of not only local resident workers but also of migrant workers from remote regions and of commuting workers from nearby villages. Migrant workers usually leave their native place in search for employment and generally seeking better prospects, but keep ties with their family left behind in rural areas. Movement of labour may also reduce the burden of surplus labour in the rural sector, or in some instances even create a shortage of young workers. This then affects agriculture and the rural non-agricultural enterprises. Migrant factory or construction workers usually remit savings from their meagre earnings to their families, who then use them to defray household expenses, thereby reducing rural poverty. In some cases remittances could be used for housing or for investment in business. It is not rare to observe a drastic change in rural scenes, remittance economy in short, brought about mainly by income transfers. Migration thus has a significant impact on household and local economy in varying degrees.
depending on the types of migration, the employment situation in urban areas, and the characteristics of the migrants themselves.

There is a large body of literature exploring the factors that lead to migration among populations, including workers.¹ Of the many factors that cause migration, economic factors such as employment opportunities are said to be the most important. In developing economies rapid urbanization has been associated with the migration of rural population to urban areas in search of employment opportunities (Kuznets 1966; 1971; Bhattacharya 1998). Depending on the economic status of the rural migrant (for example, landed or landless) the migrant might return to the rural areas or decide on moving permanently to the urban area. Some migrants moved to the urban areas in search of employment only during agricultural off-season (Breman 1996).

The large literature on rural–urban migration or the agriculture–industry shift has emerged from those who proposed a dualist model of development (Lewis 1954; Todaro 1969). In these models of development, there was an underlying assumption that in the course of development of the economy the part played by the traditional agricultural sector would decline and the part played by the modern industrial sector would increase in importance. On the one hand, the rural economy was characterized by surplus labour and low levels of productivity. On the other hand, urban industry was seen as being productive and endowed with an increasing capacity to absorb labour. Wage differentials and a multiplicity of income-earning and employment opportunities in the urban formal sector were seen as impelling rural–urban migration (Lewis 1954; Todaro 1969; Harriss and Todaro 1970).

The Harriss–Todaro (1970) model has been used to explain the movement of populations from rural to urban areas despite high unemployment and over-crowding in the urban areas. The essential assumption in this model is that basic earnings in the urban areas are “substantially higher than rural agricultural wage earnings.” The Harriss–Todaro model has also been modified to include the urban informal sectors. Modified Harriss–Todaro models suggest that the informal sector may be a “stepping stone” for workers to enter the formal sector (Mazumdar 1979). Some empirical studies on migrant workers in the urban formal and informal sectors have shown that migrant workers first found employment in the urban informal sector and over time “graduated” to the organized sector (Papola 1981).

The present study, first attempts to understand the linkages between agriculture and industry through the study of the process of rural–urban migration which is the movement of workers away from agriculture