

Is Heading Home a Dead End?

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Over a year after India's nationwide lockdown, former migrants in rural areas face limited employment opportunities

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Topic at a Glance

The Covid-19 pandemic has devastated millions of internal migrants in India; they fled urban areas to return home by the millions during Covid-related lockdowns, confronted discrimination upon their return to villages, and struggled to access safety nets. Over a year later, many migrants are still making difficult trade-offs between economic opportunities and health risks, and little is known about how these shocks will impact long-term labor outcomes. As policymakers have shifted to more localized containment strategies, migrants face dramatically different labor market conditions, infection risks, and even access to safety nets based on their decisions of where and if they migrate for work. How have India's migrants fared, and where are they now? How has the pandemic affected their current work and plans for the future? How have existing inequalities, along dimensions such as gender and caste, impacted their opportunities and decisions?



In 2021, former migrants in our sample who had re-migrated to urban work sites were on the road to recovery, while former migrants still in rural areas languished, but clear gender gaps persist, and have in fact widened.

New Insights

Our research team tracked approximately 8,250 former migrants who returned to their home villages in eastern and central India following the first nationwide lockdown across four survey rounds: April to June 2020; July to August 2020; January to March 2021; and June to July 2021. Respondents were drawn from a random sample of approximately 450,000 migrants registered in government databases as returnees in two states in north and central India. We stratified our sample by gender, to ensure that roughly 50 percent of respondents were returning female migrants.

Most participants were vulnerable even between the pandemic: over 91 percent were from disadvantaged castes or classes, and 41 percent lacked formal schooling beyond Class 5. Prior to the first lockdown, the majority of those who worked (55%) were non-agricultural laborers, and fewer than 7 percent had a written job contract. Prior to the first lockdown, 43 percent earned less than Rs. 10,000 per month at urban sites (equivalent to less than \$4.82 per day).

- Even before the pandemic, women, on average, had different labor market experiences than men. 66 percent of female migrants, as opposed to 99 percent of male migrants, were working in the month before the 2020 lockdown. Working women also earned less, on average, and 86 percent were employed in non-agricultural labor occupations. Men, by contrast, worked across a wider variety of sectors, including manufacturing, services, and professional jobs.
- For most, the impacts of the initial lockdown were devastating. In May 2020, shortly after their return, almost half of our sample (46%) reported eating less than normal in the past week. Hunger was even more pervasive in August 2020, while many still remained in rural areas before harvests (over 60% of migrants in our sample). In February 2021, almost half the sample (44%) reported reducing consumption to afford essentials in the past 30 days and a third (34%) reported borrowing money or mortgaging assets.

- Over a year later, most migrants had not recovered completely, and recovery paths diverged sharply for those that remained in rural villages and those that returned to cities. In 2021, 47% of migrants who were still in their home panchayats had worked in the past week, compared to 89% of those who had left home again. Female workers earned Rs. 1722 on average in the month before lockdowns, and female migrants who returned to urban areas were earning Rs. 1058 in our last round of surveys, or about 61% of their former wages on average. Men, on the other hand, were earning 83% of their pre-lockdown average wage (Rs. 2901). Across genders, those in rural areas earned very little compared to their pre-pandemic incomes.
- Although female migrants are much more likely to hold jobs than India's broader female population, they fared worse than men in terms of their economic reintegration after lockdowns. By June and July 2021, former male workers were 8% more likely to report seeking work than women, despite women being more likely to be unemployed. Women were also less likely to plan to re-migrate. During the same period, 45% of women took no steps to re-migrate, as opposed to 21% of men. 20% of previous female workers cited domestic reasons, pregnancy, or household permissions as reasons for not seeking seeking work.

Policy Recommendations

- Continued access to government support is critical for closing the recovery gap for vulnerable populations. Government efforts to rapidly scale up access to major safety net programs, such as the in-kind Public Distribution System (PDS) and workfare for rural households under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), provided a crucial lifeline for many households through the lockdowns and concomitant economic downturns. Our surveys suggest that access to government support has been an important correlate to migrant well-being in rural areas: in any given survey wave, reports of eating less than normal in the past week were 4% lower for migrants that also reported accessing in-kind transfers, and 4% lower for those who also received cash transfers recently, whether through MGNREGA wages or another direct benefit transfers.
- Despite expansion efforts, most migrants in rural areas did not access government workfare programmes, and more needs to be done to expand beneficiary lists. Although India's ability to expand access to these programs was quite impressive - for example, MGNREGA saw a 38% year-on-year increase in households that worked under the program, migrants remained a particularly vulnerable group that struggled to access the program. Only 54% of migrant respondents lived in families

with job cards (a pre-requisite for working under the program), and only 4% reported working for the government in the past month. Access to both MGNREGA and PDS varied by migrants' home state, suggesting pre-pandemic investments in state capacity paid off during the crisis in terms of vulnerable households' welfare.

- Around the world, women have faced specific challenges in reconnecting to labor markets after pandemic-induced economic disruptions, and governments must implement gender-targeted policies to aid an equitable recovery. Although female migrants in our sample were more likely to be working than the broader female population in India, our survey data suggests women have been slower to return to labor market activities than men. To support an inclusive post-Covid recovery and ensure women are not left further behind, government programs should focus on linking women to jobs and addressing the constraints they face to remigrating to urban areas or participating in rural economies.

Limitations

Despite these insights, our study has several limitations and caveats. First, like all survey analyses, we can draw limited conclusions about how our results may be representative of the population of migrants in India. We might expect that less established or seasonal workers may have been more willing to take arduous inter-state journeys to shelter in rural areas. Conversely, survey participation required access to a charged mobile phone, which may bias participation towards slightly more affluent, stable respondents. Second, although we collected detailed data on migrants' post-lockdown experiences, we have limited insight into household level consumption and income patterns. Finally, our identification strategy cannot provide causal estimates of the impact of Covid-19 lockdowns in India on employment and well-being, merely associations.

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