

Rural Labour Markets and Migration in South Asia: Evidence from India and Bangladesh

Background Paper for the World Development Report 2008

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Summary

This background paper on rural labour markets and migration in South Asia has been prepared for the 2008 World Development Report. The paper focuses on the question of how rural labour markets and migration can be made to work better for poverty reduction. Using select case studies and longitudinal studies from five parts of India and Bangladesh we first discuss the key processes that shape rural labour markets and how these have evolved over time with the changing macro-economic, policy, agro-ecological and infrastructural context. Each region is discussed separately to draw out the influence of location specific factors and illustrate the complexity of labour markets in South Asia. Under each we examine factors that have enabled rural labouring households to improve their asset base and wealth status. We find that while agricultural wages have remained relatively low, a few rural labouring households have been able to break out of poverty through household diversification strategies that use a combination of two or more of the following: accessing regular work (not necessarily well-paid) inside or outside the village; leasing in land or being given a land by a patron for cultivating; and starting up a small business. Skills, education, strong intra-family cooperation with pooling of labour and resources; being able to use social networks to one's advantage and the capacity to "shift" occupations from traditional to modern ones are critical in accessing better paid jobs and more work. The stage in the lifecycle of the household and the number of dependents play an important role in enabling households to establish themselves on an upward trajectory of accumulation. Ultimately the prospects for achieving an "exit" from poverty depend very much on the political, social and natural resource context which shape the institutions that allocate resources and set the terms of trade and exchange for the poor.

We discuss certain regional patterns that have emerged in labour markets that have resulted in marked segmentation by gender, age, tribe and caste as follows:

The evidence presented highlights the complexity of household labour allocation strategies and why analyses based on national statistics alone are not able to capture them.

The implications for policy within the broad ambit of rural development and agriculture that arise from these findings include:

- Recognising the importance of human resources and building up these through education, skills enhancement, health
- Recognising the importance of rural-urban links and not hampering mobility
- Providing support to migrants
- Setting up migrant friendly remittance services
- Liberalising land leasing and removing controls especially in favour of the poor (i.e. not encouraging reverse tenancy or leasing)

Our research also reiterates the importance of complementary efforts to

- Improve access to credit, education and health
- Improve rural infrastructure, communications and transport services

Background

Unlike many countries in Sub-saharan Africa, the degree of dependence of rural households in South Asia on labour income is very high. In India this is especially true of regions where the ownership of land is unequal and land fragmentation is worsening. According to the Consumption Expenditure of Rural Labour Households (1999-2000) survey of the government of India, there were 55.1 million rural and 44.2 million agricultural labour households constituting 40.2% and 32.2% respectively of total rural households (137.1 million)¹. On the basis of NSS data for 1999-2000 it is seen that in six out of 17 states - Karnataka, Madhya Pradesh, Bihar, Andhra Pradesh, Maharashtra and Orissa - the proportion of agricultural workers among rural workers did not decline between 1993-94 and 1999-2000. In Andhra Pradesh and Orissa the growth of RNFE was poor and appears to have kept people in agriculture. In Bihar and Maharashtra the non-farm sector grew faster absorbing more workers although in the case of Bihar it appears to be in lower-end jobs (Jha 2006).

Wage work is perhaps even more central to the livelihoods of the poor in Bangladesh, which has one of the highest population densities in the world at around 800 people per square kilometre, and a growing proportion of "functionally landless" households who own less than 0.2 ha of land. Statistics from the Bangladesh Bureau of Statistics indicate that in 1984, functionally landless households comprised about half of the total households but by 1996, this had increased to 60 percent BBS (1986, 1999).

Landless and land-poor households typically rely on the sale of their labour in farm and non-farm activities. In both countries there has been a shift in the composition of the labour force from predominantly agricultural towards more workers in the non-farm sector. Various surveys conducted by the Bangladesh Institute for Development Studies for instance (1987, 1991) show that the land-poor in Bangladesh are increasingly engaging in non-agricultural activities. The shift has taken place mainly at the lower end of the income and occupational scale.

From 1984-96, the percentage of households in the farm sector in Bangladesh decreased from 73 to 66 percent, whilst in the non-farm sector it increased from 27 to 34 percent. Over this period, the proportion of non-farm households grew at a rate of about four percent per annum, almost triple the rate for farm households. The number of agricultural households normally dependent on providing agricultural labour in the farm sector also declined at a rate of 0.26 percent per annum, whilst in the non-farm sector, labourer households increased at 2.89 percent per annum. In the same line, the proportion of labourer households in the non-farm sector increased from 43 percent in 1983-84 to 53 percent in 1996 (Toufique and Turton 2002).

In India the growth in non-agricultural wages was higher than that of agricultural wages during 1993-99 and this appears to be related to the relative performance of the sectors. The states with the highest increase in farm wages in 2002-2003 were Tamilnadu and Kerala. These states also recorded significant decline of employment in agriculture during the reference period (1999-00). Other states which experienced a high rate of growth in real wages (more than 2 percent) were Haryana, Karnataka, MP and AP; and those with a lower growth in real wages, were Assam, Bihar, Gujarat, Maharashtra, Orissa, Punjab, Rajasthan, TN and West Bengal.

However there may be reasons other than productivity that determine wage rates. In the case Kerala for instance it has been suggested that this was because of strong labour unions (Jha 2006, Kannan 1998) and the case of Tamil Nadu the outmigration of farm workers has been identified as a possible cause.

In fact, as we illustrate through case studies in this paper, employment patterns and wages are greatly influenced by social, political, historical and cultural factors. Many rural labour markets and linked markets for migratory labour are highly segmented along caste, tribe, age and gender lines.

1

This means that certain kinds of tasks are performed by certain groups of workers under specific working and wage conditions. There may be very little possibility for cross-over between these categories. Also, efforts that may help one category of worker in securing higher wages and more employment may not work for others.

While trajectories out of poverty for poor labouring households within high agricultural productivity zones such as the green revolution tracts of Punjab and Haryana are well studied and understood, there is still insufficient understanding of how labour markets in poorer areas are evolving and which aspects of them can be supported by policy to help the poor.

The discussion that follows focuses on five such Indian regions where labour is especially important as a livelihood strategy for the poor: northern Bihar, tribal areas of Jharkhand, tribal areas of southern Rajasthan, the Telangana and Rayalseema regions of Andhra Pradesh and tribal areas of Madhya Pradesh.

The paper does not touch upon the effect of public works programmes and policies to fix statutory minimum wages.

Andhra Pradesh

Andhra Pradesh is the fourth largest state in India by area and fifth largest by population. It has been called the “rice bowl” of India because of the high yielding rice belts in the coastal districts of Krishna, West and East Godavari. However its northern and western areas of Telangana and Rayalaseema contain drought-prone pockets where poverty levels are high. The dependence on wage work is high in Andhra Pradesh and until recently it had the second highest proportion of agricultural labourers in the country after Tamil Nadu.

We review select studies here which discuss the different kinds of labour contract in rural areas and their relative merits in terms of offering income and/or security to poor and vulnerable households. We then go on to analyse the factors that have enabled some households to get on to upward trajectories. The subject of seasonal migration is treated in some depth because of its importance.

Medak, Chittoor and Krishna districts: The Livelihood Options Project

We begin with research conducted by ODI in six villages across three districts representing the three broad regions of the state. Six villages were also studied in MP and we cover the key findings from that in the following section (see table 1 in Annex for characteristics of the districts and villages). Two villages were chosen within each district, one well connected and the other relatively remote. The sample included more than 350 households. Data were collected in 2001-2 and then again after a gap of two years in 2003-4 from the same households where possible.

The first round of data collection in 2001 showed that the poorest were more dependent on agriculture as a whole and the richest were more diversified into high return non-farm enterprise such as poultry farms and renting out machinery (table 2 in Annex). Poorer groups depend more on selling their labour because of lower forest cover and more intensive cultivation. The middle three groups have increasing dependence on cropping and – in higher quintiles – the allied sectors. The richer quintiles are marked by their increasing access to income from salaries and business.

Agricultural labour was reported by the household head as the primary occupation by 36% of the households. Agricultural labouring was most important for poorest income quintiles. Data by gender further show that nearly 36% of male heads of households and 56% of the wives work as agricultural labourers. Very often the wives of petty businessmen, small farmers, government servants, industrial workers and traders work as casual farm workers. Of female heads of households, 43% work as agricultural labourers. The Scheduled Castes together account for 31%

of all agricultural labourer heads of households, their disproportionately high representation reflecting national data

The main forms agricultural labour contracts identified in the study villages are “attached” labour or annual farm servant, casual farm work, piece rate work in labour gangs (see tables 3 in Annex). Wages tended to be higher for peak season work i.e. transplanting and harvesting. The minimum wage was almost never paid in dry areas. Attached labourers are on yearly contracts where they receive a yearly cash payment and food on a daily basis. Attached labourers are always male and of an age between 10 and 70 years. There appears to be a strong caste association because nearly all attached labourers belong to the scheduled castes. The reasons for this are partly traditional² but also because access to credit to pay off outstanding debts is an important reason for entering the arrangement and the SCs tend to be heavily indebted. Attached labour arrangements are usually entered into voluntarily³.

In MD, the remote and dry village in Medak district, analysis of data on the third and fourth members of households reveals the presence of many more attached labourers than suggested by head of the household data alone. The poorest and most debt-ridden households may send members other than the head and his wife to work as attached labourers. They are often employed to look after animals. The incidence of attached labour increases during drought suggesting that it is an important coping mechanism.

There were very few days of local wage work available in the rainfed villages: the average number of work days for casual labourers was a mere 63 days in 2001-2002 (according to the seasonal surveys) and this was due to the severe drought that had persisted over the previous four years.

Box 1 Labour market segmentation by gender in Andhra Pradesh

Research conducted by Olsen (1996,1999) in four villages of Andhra Pradesh enhances our understanding of the factors underlying the segmentation of labour markets by gender. Data collected from households between 1986 and 1987 and again in 1995 across four villages generated an index of specific tasks undertaken by male and female agricultural labourers ranging from weeding to construction. A questionnaire containing closed and open-ended questions provided further information about four more villages in Andhra Pradesh in 1999. Her findings suggest that :

- girls are more likely than boys to work as field labourers
- boys are more likely to attend school particularly amongst scheduled-castes and Muslim people
- middle-aged adults are more likely to withdraw daughters from school.
- Younger generations (16 to 25 year-olds) are less likely to hold strong gender stereotypes regarding occupations. Yet, stereotypes held by women and men in almost equal proportions include perceptions that:
 - Women can engage in agricultural wage labour, but for lower pay than men.
 - Domestic and child rearing is women's work. Office jobs, teaching, and factory work are not suitable for females from all classes except for better off people such as merchants and landlords.

Labourers often borrow in the lean season to be able to migrate out in search of better work if they have the available support systems and labour in the household or to meet their consumption costs until the next work season. But in the coastal villages the situation of attached labourers is altogether different, and they are perhaps more privileged than casual workers. They get paid at

² Jodhka (1994) and Binswanger et. al. (1984) observe that most attached labourers belong to a certain caste. Access to credit is probably the most important reason for doing so Jodhka (1994), Datt (1996), Krishniah (1998)) and the annual payment is taken in advance in the manner of an interest free loan. Other loans may be taken during the course of employment but these are to be repaid with interest. Segmentation in the attached labour market has been documented by other scholars where the remuneration received appears to depend upon the caste group of the labourer (Bardhan 1984, Binswanger et. al.1984 and not necessarily the nature of the job.

³ This has been documented elsewhere in India [Bardhan and Rudra 1980 &1981, Jodhka 1994, Brass 1999].

least Rs 15000 a year and together with other emoluments, this takes them over the poverty line. In addition to this, attached labourers also have better access to credit because they are often in the employ of politically and socially influential persons. All in all the “package deal” that goes with being an attached labourer has been rated by many in our study as more secure than being a casual agricultural labourer or a freelance construction worker in the city⁴.

In high productivity areas (even high productivity pockets within dry areas) labour gangs operate where they are paid a set rate for a set task (known as *gutta*). Piece rate contracts are preferred by labourers for the increased independence, dignity and satisfaction they confer, not to mention the higher rates that can be earned. The number of labourers that are employed to complete the task may or may not be specified. Such contracts are usually won by a contractor or a middle(wo)man known as the *mestri*. Depending on the alternatives available to the labourers who are employed under the *mestri*, contract labour arrangements can be lucrative or only marginally better than casual labouring. Many *mestris*, especially in coastal AP, are women.

The study attempted to identify the processes and factors that enabled some households to break out of poverty. Households were classified into categories depending on their level of diversification and prospects for accumulation and upward mobility. Here we discuss the **three** poorest categories which all include labourers.

Chronically poor and near-destitute households

The very poorest category is made up of chronically poor and near-destitute households. The worst off are illiterate, unskilled, old, sick or disabled. They have almost no labour in the household and have limited access to productive resources. They lack the social networks that can provide support in difficult times and usually slide into this level of poverty as a result of shocks and contingencies.

Others in the very poorest category also lack labour and have high dependency ratios, with small children and the absence of an adult male in the household. The collection of common resource products, local agricultural labour and possibly rearing some goats are the most typical activities. Often the household suffers from weak support networks which might otherwise care for children and provide support. They may have access to some local casual agricultural labour, and in some cases will resort to becoming attached labourers. Often, adult members will refer to themselves as ‘kuli’ (farm labourers) though some individuals may be diversified into low-paid seasonal income-smoothing/coping activities. If they are lucky they may have a ruminant or two but they lack assets to migrate, and find credit unobtainable or expensive. The chance to set up some sort of enterprise is very likely due to lack of capital, information and their very low risk-bearing capacity. There are examples of nonfarm work that are accessible to people in this class, in particular beedi rolling, leaf-plate making or coconut-mat weaving. The benefit of such contracted-out work such as this is that it can be done in one’s own time at home, with the cost of materials and the risk of marketing borne by the contractor. However, for most in this class, access to other types of nonfarm labour work is constrained by dependency, weak social networks, and low mobility and physical strength.

The insecure poor

For the insecure poor, the nonfarm sector is an essential complement to the precarious livelihoods of the farm sector. Theirs are often highly diversified households, with members pursuing a range of occupations none of which is accumulative or skilled. Such occupations include landless labouring and marginal farming, migration to urban areas for construction work with women often working as casual farm labourers or domestic maids. The wealth of the household usually follows an annual seasonal rhythm of being very poor or poor. However they do appear to be able to prevent downward slides into extreme poverty.

This group may well have some poor quality land gained through encroachment, redistribution or share-cropping, but the returns are likely to be low and unsecured, especially as they may not have

⁴ Epstein (1973) notes that there was envy in unirrigated areas about farm servant institutions in the neighbouring areas.

irrigation. Local agricultural labour will underpin the livelihood but will probably only be available for 2-3 months per year.

Seasonal migration for agricultural and non-agricultural labour are an essential part of the portfolio for households in remote and unirrigated villages. However, unless the link to work is secured through long-standing relationships, the work-search is risky. Travelling far afield generally produces higher wages. For those who have skills and strong social networks, migration money can help in repaying debts, improved savings, accumulation of assets and investment in agriculture. Experienced migrants may move up the occupational ladder (see box 2) and improve their asset base significantly.

Box 2 Nonfarm options leading to accumulative trajectories

A Vaddi (well digger caste) inherited one acre of dryland and one acre of tank irrigated land from his parents 40 years ago. He grew paddy and groundnut and only one crop during the rainy season. He started migrating for digging work five years ago. He eventually became a skilled tradesman and contractor (mestri). That is when his fortunes changed. He started getting work through the government sponsored Watershed Programme. After that he approached the District Cooperative Bank for a crop loan. He was helped by an MLA and got a loan. This allowed him to dig a borewell and then he switched to high value crops - tomato in 1996, potato in 1999 then coriander in 2000.

An important finding of the study is that short term/seasonal/circular migration and commuting are far more important than permanent migration. Data collected in the next round (2003-4) show that 69% of migrating individuals from the sample were away from their villages for less than a year and the rest were away for more than a year. 21% of all people working outside the village were daily commuters.

Table 1 Distribution of migrants by type in the villages of Andhra Pradesh, 2003/4.

		Short term	Long term	Total
Village	OP	18	7	25
	VP	28	6	34
	KO	22	17	39
	KA	14	12	26
	GU	26	8	34
	MD	53	21	74
Total		161	71	232

There are wide divergences among villages in the distribution pattern of location of migration. Daily commuting migration is dominant in the better connected villages GU followed by KO. Movement to another rural area is dominated by the migrants of MD, but proportionally more migrants from KA moved to rural areas. Most movement from OP was to small urban town and from VP was to large urban town. Movement to urban town is dominated by the migrants of MD.

Table 2 Distribution of migrants by location of work in the villages of Andhra Pradesh, 2003/4.

Villages	Location of work					Total
	Daily commuting	Migration (rural to rural)	Migration (rural to urban- small town)	Migration (rural-urban- large town)	International Migration	
OP	5	4	15	1	0	25
VP	3	1	0	29	1	34
KO	13	6	9	10	1	39
KA	0	12	6	8	0	26
GU	25	4	3	2	0	34
MD	2	26	1	45	0	74
Total	48	53	34	95	2	232

Mahbubnagar district: The ICRISAT Village Level Studies

Next we review a study conducted by ICRISAT researchers in the villages of Aurepalle and Dokur under the well-known Village Level Studies (VLS) project. The VLS was in part a longitudinal study, in so much as it involved a census that covered every household in each village and households could therefore be traced from one round of the study to the next, and part year-on-year survey since it included a survey that did not cover the same households at every round.

Aurepalle and Dokur lie in the poor and drought prone district of Mahbubnagar. The soils are shallow to medium red soils with very poor moisture retention and are prone to erosion. Land values in Dokur are higher than those in Aurepalle due to higher average yield per acre there. About two-thirds of the gross cropped area in Dokur is irrigated by tubewells and a village tank and about one-fifth of the area in Aurepalle is irrigated by tubewells. Per capita land availability is higher in Aurepalle than in Dokur. The cropping pattern in Aurepalle has changed from the predominantly castor, jowar and bajra mix to growing cotton and other cash crops since the 1980s.

Dokur was mainly a paddy and groundnut economy. While HYV have been widely adopted in both villages, tractorisation and other forms of mechanisation have been slow. RNFE in Aurepalle was mainly traditional including toddy tapping and selling; sheep rearing and weaving woollen blankets which employed around a fourth of all the households especially during the agriculturally lean season of the year, viz., January to June. Such major non-farm avenues were absent in Dokur.

The study conducted by Deb et al in 2001 was based on information gathered through Participatory Rapid Appraisal (PRA), a household census and household survey and panel interviews in the two villages. The data gathered in 2001 was then compared to data from the VLS in 1975 and 1989. In 2001, the household census was conducted for all households in each village, with the objective of providing a broad overview of the villages, land holdings, household sizes, castes and major sources of livelihood. This and the subsequent survey laid the foundations for a later in-depth panel study of households from the two villages. All households in the villages of Aurepalle and Dokur were interviewed using a structured questionnaire. Information related to the household and household head, household structure, resource base, consumer durables and sources of income were gathered. A total of 1,164 households were interviewed, 649 in Aurepalle and 515 in Dokur. At the survey stage, 121 households were interviewed 61 in Aurepalle and 60 in Dokur. Although data from successive rounds were not strictly comparable due to the exclusion of non-farming households in the earliest rounds the resurveys do provide some interesting insights which we discuss below.

The study documents several cases of landless households where there had been a steady rise in economic status until the household had become one of the wealthiest in the village. This upward mobility tended to follow a particular trajectory, though it typically took two or more generations for to manifest itself. Frequently, one generation took on a low-paying but secure post as a regular

farm servant, benefited from government land redistribution programmes and relied on family labour to cultivate household land holdings. Other household members migrated and sent remittances through which agriculture could be funded. Another source of upward mobility was being selected to participate in government agricultural programmes or projects. They also cite examples where diversification has been enabled by strong kin relations and co-operation leading to the accumulation of wealth and capital. Take the case of one household studied - the household had a single income from agriculture and four dependants in 1975. As the children grew up, they began to contribute to the household. The eldest daughter learnt tailoring skills (an example of people moving into the caste occupations of others in order to gain additional income), and the eldest son leased a telephone booth in Hyderabad. Another son began to trade in second-hand electric pump sets, whilst the youngest son sold milk in the nearby town. Profits from the business and income from the dowries received at the marriages of each son enabled the household to drill tube wells and purchase additional land. The household also opened a hardware shop and began to act as village moneylenders.

Overall the study shows that both structural and lifecycle factors have enabled households to establish themselves on an upward trajectory of accumulation and to exit poverty. Changing markets for agricultural produce, access to knowledge and information and timely involvement in agricultural projects were all important. A common factor in all cases where households managed to lift themselves out of poverty was reaching a later stage in the household developmental cycle. Households that had young dependants in 1975, progressed to having a large amount of (free) adult household labour and skills to draw upon in 2001. Thus, within households, co-operation between household members and the pooling of labour and resources were crucial.

Box 3 What official statistics tell us about migration

The latest data on migration released by the Government of India, based on the Census of 2001, show that 30 per cent of the population or 307 million people were classified as migrants. Of these, nearly a third had migrated during the previous decade. Of the total, nearly 44 per cent had moved for marriage-related reasons (mainly women) and only 14.7 per cent had moved for employment.

Kundu [pers comm] calculates that RU migration has declined by 1.5 percentage points, even allowing for a decline in the fertility rate, increases in urban boundaries and the emergence of new towns. This is because of the inability of conventional surveys on occupation and residence to capture information related to temporary movement and part-time occupations. The 55th Round of the National Sample Survey estimated, for the first time, the number of short duration out migrants who stayed away from their usual place of residence between 2 to 6 months at 12.6 million. However a sector-wise analysis indicates that this figure is likely to be an underestimate. For example the ILO estimates that there are roughly 50,000 brick kilns across India which employ around 100 families each; a majority of the 25 million construction workers in India are temporary migrants as are many of the 10 million street vendors in the country. In addition there are around 2 million rickshaw pullers.

On the basis of the 55th round of the NSS (1999-2000) (Dubey et al 2006), found that migration rates are lower among the SC and ST compared to other groups across all states. Furthermore it is seen that those with little or no education are less likely to migrate to urban areas. Dubey et al conclude that the poorer households from the surplus labour regions do not seem to migrate to the same extent as the richer ones. In contrast the case studies reviewed in this paper show more circular migration among lower castes and tribes and higher rates among illiterates.

Madhya Pradesh

Official statistics suggest that employment in Madhya Pradesh is largely unorganised, rural and non-industrial in nature. According to the National Sample Survey nearly 75% of rural workers depended on agriculture in 1999-2000. But agriculture accounts for only 35% of the GDP. Casual labour forms a substantial part of the total labour force and has been growing: the proportion of

workers who were casual increased from 32 % for males and 38 % for females in 1993/94 to 37 % for males and 44 % for females in 1999/2000. There has been increase in the share of marginal and small farmers in area and number of holdings. Around 61 per cent of the land holdings belonged to marginal and small farmers in 1995-96 (Commissioner of Land Records and Settlement, Gwalior, M. P. cited in the 2002 Human Development Report) who are under-employed and work as labourers to supplement their incomes from farming. According to the 2001 Census 28.7 percent of the workers in the state are agricultural labourers and most of them are concentrated in the southern tribal and forested districts.

Mandla, Tikamgarh and Ujjain districts: The Livelihood Options Project

Research conducted by ODI in six villages of MP under the Livelihood Options Project found that the richest and the poorest are most dependent on agriculture deriving 76% and 72% of their total household income respectively from agriculture (see table 4 in Annex). As in AP the poorer quintiles (although not the poorest) are most heavily dependent on wage work. In regions with a history of highly feudal relations of agrarian production (Ujjain and Tikamgarh), and where caste and class divisions are strong a form of bonded labour called *Hali* exists. The bond is in the form of an advance of the full season’s salary and can be paid off at any time. The size of advance varies in line with prevailing wage rates though there is much individual variability. Accommodation and food is also provided. While seasonal returns are lower than those in non-bonded labour, for those in debt at high interest rates the saved interest charges may be worth up to 15% of their salary. Further, the income is guaranteed, which is particularly attractive with the apparently increasing occurrence of drought and its affect of agricultural labour opportunities. Bonded labourers are of all types; they may be young, independent men from outside the village or local families who also supply domestic service. However, such benefits are mainly attractive to the very poorest and vulnerable: those in debt and with high risk aversion. Such people are in a very weak position to negotiate or enforce their terms, particularly with regard to working hours and conditions.

Women receive at least 20% less than men for identical tasks, and the range of work they are allowed to perform is much more limited. However, for traditional, low status women’s work, such as paddy weeding, rates are same for men and women. Children are preferred for some “light” work, such as weeding, as they are paid up to half the amount of men. Other work, such as ploughing, is clearly the man’s domain and, being semi-skilled, earns up to Rs 25 per day, Rs 50 if bullocks and plough are also provided.

The average number of days of work available in a year was only 40. In circumstances where both farm and non-farm options for employment are highly limited, circular migration has emerged as an important livelihood strategy. Much of the migration is seasonal, and is undertaken by people who are classified as labourers - both agricultural labourers and non-farm labourers. The poor southern districts are labour exporting areas. The labour surplus situation in the southern districts co-exists with a shortage of labour in the diversifying centres mentioned above and drives much of the intrastate migration.

In terms of the numbers of people involved, seasonal migration and commuting are far more important than permanent migration. Data collected in 2003-4 indicates that there were hardly any permanent migrants.

Table 3 Percentage of temporary migrants to total migrants in Madhya Pradesh, 2003/4.

Migration type	N	%	Cumulative %
Daily commuters	44	25.7	25.7
Temporary migrants	123	71.9	97.7
Permanent migrants	4	2.3	100.0
Total	171	100.0	

Although it is difficult to say whether migration and remittances have made households better off it is clear that migration money is significant and is used in a variety of ways as shown below

Table 4 spending migration earnings in Madhya Pradesh, 2003/4.

Purpose	Responses	% of responses	% of cases
Daily consumption/expenses	162	43.1	95.3
Paying of debt	70	18.6	41.2
Paying for medical treatment	75	19.9	44.1
Education of household members	4	1.1	2.4
Purchase of other inputs	55	14.6	32.4
Savings and investment*	8	2.1	4.7
Marriage expenses	2	0.5	1.2
Total	376	100.0	221.2

* Investment includes buying land (1 case), irrigation pump (1 case).

Data source: Livelihood options study: Panel survey 2005.

Other studies discussed below also show the importance of seasonal migration for the poor in MP.

Tribal districts in the south: The Western India Rainfed Farming Project

A study by Mosse et al. (1997) of Bhil communities in parts of MP covered under the DFID funded Western India Rainfed Farming Project revealed that 65 per cent of households included migrants. A few years later another study in the same area found that in many villages up to three-quarters of the population to be absent between November and June (Virgo et al. 2003). Mosse's study estimate gross annual earning from migration of about Rs 8,000 per family. Today, earnings from migration are the primary source of cash income for the majority of households surveyed, contributing on average over 86 per cent of cash income.

Jhabua district

Another study by Narain et al (2005) conducted in Jhabua district (one of the districts also covered by WIRFP above) shows the importance of migration earnings for poor households. Data were collected from 550 households in 60 villages in the district of Jhabua, covering the period from June 2000 to May 2001. A random sample of households for the survey was generated through a two-stage sampling design. In the first stage, a stratified random sample of villages was generated, and in the second stage, a stratified random sample of households. A random sample of households was selected from three strata—BPL, land-poor (owning less than 3 hectares of land) and land-rich (owning more than 3 hectares of land), with over-sampling of BPL and land-rich households.

After income from agriculture, income from wage employment is the largest source of income for households in all four quartiles. For the first three quartiles, the wage income mostly comes from off-village casual employment. Households in these quartiles earned about 65-70% of their total wage income from such seasonal migration. In contrast, households in the top quartile earned the largest share of total labour income (63%) from regular jobs in the private or public sector and only about 30% from off-village labour. In absolute terms, however, households in the top quartile still earned more from in-village employment than households in any other quartile and more from off-village employment than households in the first and second income quartiles.

Rajasthan

Rajasthan is the largest state in India but nearly two thirds of the area is under the Thar desert and the remaining area is highly drought prone. The proportion of rural agricultural labouring households is only 8% of all rural households although labouring households comprise 23% of all

rural households implying a large work-force in non-farm occupations. But there are strong regional variations in the labour market. The studies reviewed here are all located in southern Rajasthan which is tribal⁵, poor and drought-prone and where the incidence of adolescent and child migration has recently emerged as an important and worrying phenomenon.

Dungarpur: Resurvey by Jones

The first study is a resurvey conducted by Howard Jones (University of Reading) in a remote tribal and rainfed village in the Dungarpur District of Rajasthan. Dungarpur is one of the least developed districts with a low rate of urbanisation and industrialisation. Agriculture is mainly rainfed and cannot support the population round the year. The study illustrates the evolution over twenty-five years of rural labourers from mainly village based households to multi-locational households. While the village economy has clearly become more diversified most of the opportunities have been captured by the upper castes, leaving the poor and lower castes with no option but to migrate out.

The first survey in Dungarpur by Jones was conducted in 1976/77 and the same households (to the extent possible) were surveyed again in 2001- 2002. During the earlier survey data were collected from each household on caste/tribe membership, family members, land and property, livestock, occupations inside and outside the village, labour employed and loans taken. Data were collected using the same format in 2001/02 providing a comparison of livelihood change and diversification over a twenty-five year period.

In 1976/77 cultivated land per household was just 0.12 ha irrigated land and 0.95 ha un-irrigated land. The vast majority of households (90%) in the village were land owners. Those households without land were relative “newcomers” without ancestral property in the settlement. The higher caste groups tended to have rather larger per household cultivated land areas compared to the lower caste Jogi households and tribal Bhils.

The resurvey found that livelihoods had become very diversified and that there was a move away from traditional caste occupations in almost all of the castes studied. However, the majority of the additional enterprises were established by households in the higher caste groups in the village i.e. the Brahmans, the Sevak, the Jain and the Panchal. Only three of the additional 40 enterprises were Bhil owned, even though the Bhils accounted for the largest number of households (103) in the village. There was also an increase in the number of households in paid employment but again this was limited mainly to the upper castes. For the poorer (Below Poverty Line) households in the village (mainly the Jogis and the Bhils) livelihood diversification had often been through wage employment in the private sector, but largely outside the village as tea stall assistants, domestic workers, watchmen, construction workers and odd jobbers. Wages were roughly Rs1500 a month or Rs. 40-50 a day. Barriers to finding better employment for the Bhils were no transferable traditional skills and low levels of education.

Migration

One in five households in the village had at least one member working in a metropolitan city by 2001 and seven per cent of had at least one member of the household working overseas in the Middle East. Migrants were mainly young men. Although a few Bhil households have secured greater access to land through an increased number of sharecropping arrangements with households unable or unwilling to cultivate their own land (mainly Chobissa households), this had not turned out to be a remunerative occupation for most. Migration was mainly due to a lack of opportunities in the village.

The study powerfully illustrates how being historically disadvantaged, possessing low education levels and technical skills and not being able to switch to other occupations has meant that the livelihood pathways for tribal households in Dungarpur has led to a very narrow band of largely unskilled and activities. Diversification into enterprise development is minimal and the number of

⁵ Tribal communities in peninsular India lag behind the average Indian with respect to basic human development indicators such as income, literacy, life expectancy and infant mortality (Baviskar 2005).

tribal households in the village with public sector employment has actually declined over the years, a result of a reduction in jobs related to road construction and repair by the PWD.

The study shows the importance of social networks was in obtaining work outside the village. Many of the tribal households with members working in Mumbai and Gujarat indicated they had arranged jobs through a range of other relatives, friends and neighbours. Many of the tribal and low caste men working in tea stalls in Mumbai are working in establishments owned by households belonging to higher caste groups in the village and district. Over time, this had in some cases lead to the development of own enterprises. However, Jones notes that the replication of village relationships in an urban setting begs the question as to whether this is a positive and enhancing use of social capital, or simply the reproduction of existing patterns of caste inequality in different contexts.

Study of migration in Durgapur by Haberfeld et al

The second study in the same district was conducted by researchers from the Tel-Aviv University in Israel, the Sukhadia University in Udaipur, the Indian Statistical Institute and the Society for Development Research and Action in Udaipur in Durgapur (Haberfeld et al 1999). This study examines the drivers and impacts of seasonal migration in greater detail. On the basis of household surveys and econometric analysis the researchers conclude that migrant labour is a compensating mechanism used by disadvantaged households. These households are characterized by lower education levels, lower levels of income from agriculture, and by an inferior geographical location.

The study by Haberfeld et al was carried out in 1996 as part of an evaluation study designed to examine the effects of a large-scale socio-economic project on the lives of rural households. The project was originally designed to raise agricultural productivity through social and economic intervention at the individual and community levels. The 16 sampled villages were randomly selected and included both project and non-project villages. Each village was then divided into three spatial segments based on geographical neighbourhoods ('Phalas') and 13 households were randomly selected from each such village segment yielding a total sample of 624 households.

High incidence of migration

Haberfeld et al set out to find out how prevalent seasonal migration is who migrates Data were collected on the number of migrants, their demographic profile and employment characteristics of the migrants : destination, duration of employment, type of employment and earnings. The unit of analysis used was the household. Overall, 540 individuals belonging to 348 of the sampled households migrated from during 1995–1996, mostly on a seasonal basis. They left their villages usually during October– November after harvesting rain crops and sowing winter crops (on irrigated land), and return before the next summer season. The average duration of migration was 5.6 months. A majority of migrant workers (88%) head for neighboring affluent districts. About 91% of the seasonal migrants are men with an average age of 26.4 years (with a standard deviation of approximately 10), and their education levels were higher than other villagers. On average, migrant labourers had more than 3 years of schooling, with most having post-primary schooling. Only 32 percent were illiterate. 89% were tribals but were representative of the general population of the area. In terms of occupation: the largest group (27.5%) was found in manual, unskilled jobs. The other large groups are employed in construction (26%), hotels and tea shops (10%), factories (9.5%) and agriculture (9%). The migrants daily wage rate (around Rs 44) did not vary much (SD = 25) and was much higher than the daily earnings in their homes (in the sampled villages, daily wages averaged that year Rs 25–30)

The study further found that about 60% percent of the annual income of migrant households is accounted for by migrant wages. Agriculture was second in importance for all sampled households. Comparing the two types of households on the labour supply dimension yielded mixed results. On the one hand, the quantity of labour available to migrant households is larger than that available to non-migrant households, by approximately one-half of a person at prime working age. On the other hand, average education of non-migrant households' labour is higher than that of migrant households. The differing labour quality between the two types of households is further reflected in

their employment opportunities. Members of non-migrant households hold better jobs than members of migrant households. Finally, the two types of households differ also in their social characteristics. Migrant households tend to belong more to ST's, to live in the less developed region of the district,

Multivariate analysis indicated that every hectare of cultivated land adds, on average, 16% to the household income. Despite a temporary decline in labour supply for local production as a result of the migration process, migrant labour provided by tribal households contributes significantly to annual income. Every month of migrant labour is associated, on average, with a 7% increase in annual income. Put differently, two months of migrant labour are almost equivalent to the contribution of one hectare of cultivated land (which is the average land holding of a migrant household) to the family's annual income.

While these studies make no mention of tribal adolescent migration, this is emerging as a critical issue in South Rajasthan especially for households with very small landholdings, more grown up children and adults and fewer dependents. The studies by the Aajeevika Bureau and Seva Mandir discussed below highlight this issue. The migration of 9-14 year olds from the tribal belt of Southern Rajasthan to the cotton fields of north Gujarat is a relatively new phenomenon. The adolescents are hired to do cross-pollination for seed production. The work begins in the months of July- August when flowering starts in seed plots. and continues for two to three months every year. While older people also find employment in this work, there definitely seems to be a preference for children. Girls are preferred as they are more manageable and work harder.

Research on child migration from Dungarpur by Aajeevika Bureau and SAMReN

The study conducted by the Aajeevika Bureau and the South Asia Migration Resource Network (SAMReN) covered 978 households in 17 villages in three of the five blocks of Dungarpur District. Overall 35 percent of the households surveyed reported sending children for cotton work (Katiyar 2006). This figure is likely to be underreported because people know that it is illegal to send children out to work. Like so many other transactions in rural India, the recruitment of adolescents also depends on an extensive network of agents and a system of advances. The agents are known locally as 'mates'. They are usually local tribals in the age group of 35-45 with some education and who have had an exposure to the cotton work. Larger mates supply 100-1000 children and smaller mates recruit 10-50 children. Cotton field owners and their agents from Gujarat tour the source villages prior to the beginning of the cotton pollination season in July-August giving advances to the mates for a specified number of children. Typically mates receive Rs. 10,000 as advance for supplying 50 children. The mates in turn advance around Rs. 200 per child to the parents. The mates take the children to the destination in jeeps and mini trucks that they hire for the purpose and earn a commission of Rs. five per day per child employed. Each child employed earns up to Rs 3000 during the three months worked. A part of this is spent on food but the remaining amount is a significant proportion of the total household income (which according to the SAMReN study was around Rs. 12,835 per year).

Udaipur district: Seva Mandir study on adolescent migration

The other study in the Jhahod taluka of Udaipur by Custer et al 2005 was located in nine villages in three blocks in Seva Mandir's working area. It covered 296 mainly tribal small-scale owner-cultivator households. This study also focuses on adolescent migration as a household diversification strategy and the costs and benefits that it involves.

All of the households surveyed were vulnerable because of high levels of debt and inability to fund health or social expenses. They were not able to employ all household members productively on their own land and relied on wage labour to finance basic consumption needs.

From the household sample, structured towards adolescent migrant households, 48% of adults migrate. Adolescents remit on average Rs 2633 or 78% of their wages and most report that their remittances were used to buy food grains. Girls migrate for shorter periods and remit less in total. Adolescent females remit slightly more on average than adult females, but adolescent males remit

less than their adult counterparts. Adolescents migrate when there is no local employment and when they do not need to work in the household farm, either because other household members are working there or because, due to poor productivity, there is no labour requirement in the household farm at all. They both provide important remittances and reduce the household burden by being self-sufficient during the period of migration.

What becomes clear from this study is that adolescent girls and boys are filling a specific niche in the agricultural labour market that has arisen in the neighbouring state; that their earnings while not much higher are attractive enough for their families who have poor land holdings and very little work available locally; that sending them out to work does is part of the household labour allocation strategy; that their earnings are important for the survival of the household and that there are high social costs and risks experienced during travel and at the destination especially in the case of girls who are more vulnerable to sexual exploitation.

Bihar

Bihar, is the second most populous state of India and has the lowest per capita income in the country. It also has the largest proportion of the population in rural areas and a high population density. Agriculture employs about 80% of the workforce which is much higher than other states. Roughly three-fourths of the operational holdings are marginal (less than one hectare) and there are many large landholders who possess large tracts of land illegally. Many of these are absentee landlords and leasing out land is common; in fact Bihar has one of the largest areas under tenancy in India, although a significant amount of land leased out is also by small and petty landholders who are engaged in a variety of occupations outside the village. The dependency of the rural poor on wage labour is high. Agricultural output is volatile; crop productivity has been below the Indian average for most cereals and wages have remained low. The annual flooding of the Gangetic plain in the north makes agriculture especially risky and added to this are problems created by a very weak transport and marketing infrastructure.

According to the latest NSS figures 43% of all rural households in Bihar are agricultural labouring households (the proportion of labouring households in all rural households is 45%). Almost 80% of the bottom quintile household heads have no education⁶. According to the 2001 census report, there are 13 million Muslims in Bihar, which has a total population of 83 million. About 84.5 percent of them live in rural areas and 15.5 percent in urban areas.

Gopalganj, Madhubani and Purnia districts: resurveys by the Institute for Human Development

Long term studies conducted by the Institute for Human Development in 18 villages in Bihar show how insurmountable problems of caste hierarchies, flood prone and risky agriculture and low wages have led to an increase in long term migration. This is in contrast to other states where temporary migration appears to be growing (see Andhra Pradesh below). Karan's study of labour migration in northern Bihar based on primary survey data collected in 1981-83 and 1999-2000, from six randomly selected villages (two each in Gopalganj, Madhubani and Purnea districts) showed that increasing rural-urban migration to work in the non-farm sector was the new trend. The traditional destinations of rural Punjab and Haryana are not as popular as they were 20 years ago because fewer jobs were available as agriculture became more mechanized. He found that migration rates had almost doubled from 7.5 per cent to 13.4 per cent of the total population during the intervening period. There had been an increase in long-term migration, but this concerned mainly the upper and wealthier classes. There were more short-term migrants among the poor. Roughly 24 per cent migrated to work as non-farm labour in 2000 against 3 per cent in 1983. The figures for agricultural labour were 15 and one per cent, respectively.

⁶ <http://scid.stanford.edu/events/PanAsia/Presentations/KANG%206-3-06.ppt>

Many socially disadvantaged groups of people – scheduled castes and tribes – have migrated out of the state and the Bihari migrant” now is one of the most common and, sadly, disliked newcomers in metropolitan cities across India. There has also been a lot of migration from the muslim community as a result of their overall poor socio-economic condition: research conducted by the Patna based Asian Development Research Institute shows that there are 63 migrants for every 100 Muslim households in rural Bihar.

Nalanda, Gaya, Muzzaffarpur, Purnia, Madhubani and Sitamarhi migration study by ODI

More recent research by ODI in six diverse districts of Nalanda, Gaya, Muzzaffarpur, Purnia, Madhubani and Sitamarhi (of which four are among the poorest districts in India) show that circular migration is widespread and cuts across class, caste and religion. A minimum of two multi-caste villages were studied in each district, one remote and the other well-connected in order to examine the effects of connectedness, if any, on migration patterns. In addition, one extra village was studied in both Muzzaffarpur and Purnia to ensure the dynamics of migration among Muslims were captured.

The study found that roughly 5-10% of migrating households have been able to accumulate assets (buying, sharing in or leasing in) through migration. These appear to be mainly people belonging to the broad category of “other backward castes” (which are better off than the scheduled castes and tribes) who are in more remunerative work especially “factory” work.

- In Muzzaffarpur about 10% migrants have started lease farming on 0.50-1.00 bigha land using remittances Another 5% migrants have used remittances to buy livestock, repair or upgrade their houses and set up small businesses.
- In Jai Nagar block, Madhubani about 15% migrants use remittances for sharecropping. Sharecropping is either on a 75%:25% basis (if the landlord does not provide any inputs other than the land) or a 50:50 basis if inputs are provided. The latter is still common among the poor.
- In Hariharpur village, Dumra block, Sitamarhi FGDs show that many people are investing in land. While remittances were previously used for loan repayment and consumption, this money is being invested in farming, share cropping and leasing land as families have become wealthier. More than 50% of the migrants in the region have acquired some land in last 7-8 years or have accumulated other types of assets.
- In Gaya remittances have allowed people to lease in land that is being used to grow vegetables. Remittances are also financing the agricultural inputs needed.

In these households there is a kind of relay migration, where the male head of the household migrates until the sons grow up. Then the sons migrate and the father stays at home. The household labour allocation strategy in migrant households is clearly one where one or more members go out to earn while others manage the farm (see box).

Box 4 Accumulation through migration

Visundhari Yadav (55) is a farmer in Itra, a well connected village in Gaya. He has not studied beyond primary school. He and his wife Raziadevi (50) live with their 3 sons and the son's wives and 8 children Kamla (16 illiterate), Urmila (12 3rd standard), Geeta (10 3rd), Deepa (8 2nd) Gauri (6 school) Anand (5 school), Nisha (4), principal (2) in the same house. The eldest son Rajkumar (35) has studied up to V standard and manages the farm. The second son Kameshwar (30) has studied up to Xth (failed) and has been migrating to Surat to work in a zari (embroidery) factory for the last 10 years. He earns Rs 3500 a month. Rampati the younger brother (18) VII standard passed, has also been going there for the last year earning Rs 2600 a month. Both take turns coming back for festivals and to supervise the sowing and harvesting in their farm. Both together send Rs 10-12000 two to three times a year through a money order and also hand carry some money when they come home. This money is used for the farm, savings and consumption. They had 3 bighas of ancestral land and bought 3 more 2-3 years ago from Muslims who left the village. They bought another 9 kathas two years ago for Rs 20,000. They have also bought land to

build a house for Rs 60,000. They also lease in 5 bighas of land from Muslims. They are now growing paddy, vegetables, onions, tomatoes, potatoes, chillies which they sell in the local market. They also own 2 buffaloes, 2 bulls and 3 calves and sell khova and milk. They say there is much improvement in their situation because of remittances. They spent lavishly on their 3 sister's weddings.

The case of Bihar is different from other states because of the strong class/social status associations with manual work. Farm labouring is seen as one of the lowest forms of work even if it involves working on one's own land. Migration has caused a depletion of local labour and this may have had an impact on rural wages. Key informant interviews conducted in Patna recently indicate that land owners were finding it difficult to manage without hiring in labour but were also not prepared to work on their own land. It was not uncommon to hear that even high caste Bhumihars and thakurs were plying rickshaws in Delhi because "they need to work but cant do that at home because of the humiliation associated with manual work".

Although many of these migrants remain away from their villages for several years and even decades, they do retain strong links with their villages and are therefore circular migrants as opposed to permanent migrants who have left the village for good. An important indicator of this is the flow of remittances: the Post office in Patna reported receiving money orders to the tune of Rs 4500 million in 2005-6 and most of these were from migrant workers. The average amount sent was Rs 1500 a month. This would mean that roughly 250,000 rural households were receiving remittances from migrants.

Jharkhand

Once part of Bihar this state is now one of the richest in India in terms of mineral resources and industry but still very poor, with a large tribal population. The focus of this section is on migration which has become an important livelihood strategy for the poor.

In a study commissioned by the Labour Department, Dayal and Karan (2003) studied 12 villages in Jharkhand, using household surveys and PRA methods. Data were collected in two rounds from these villages. In the first round a census level survey was conducted and then twenty-five percent of the sample were selected for further and detailed investigation. They found that one-third of the households had at least one member migrating. Around seventy percent of these were short term migrants who went out during the lean season. Short period migration is lowest from Gumla (56.6 percent) a village dominated by upper castes and highest from Palamau (78.5 percent) a village with a large SC and ST population. In general short-term migration was higher among poorer groups, involving over 80 per cent of the landless and 88 per cent of illiterates. Another distinctive feature of this region is presence of a large number of labour contractors and the role played by them in the migration process.

The proportion of migrants sending remittance to the village for the use of those who stay behind and the percentage of the income from migration, which is sent as remittance, also varies by caste and class. Migration has wide ranging consequences on both the migrants and those who stay behind. Around 98 percent of the migrants, without any noticeable regional (district wise) variation feel that their income has increased because of migration. The wage rate in the village has also increased because of migration, which has benefited all the people of the labour class-both those who migrate seasonally and those who stay behind. Around one third of the migrants reported improvement in their housing condition 86 percent in the standard of their consumption and more than seventy percent in their expenditure on social occasions. As a result they feel more comfortable in comparison to those who do not migrate. Migration has enabled people to acquire skills and educate their children. 22 percent of the migrants said that they acquired skills such as better methods of cultivation and reported improvement in their agricultural production because of it.

There are some adverse impacts of migration as well including a higher work load, exposure to disease, the neglect of children and their education. Migration has a profound impact on women. It affects both those who migrate and those who stay behind in the village. Some women in the sample mentioned that migration has saved their life otherwise they were heavily dependent on the

Sahus (the business man and money lender community) of the village who used to give them loans at exorbitant rates of interest.

Box 5 Segmented migrant labour markets in Jharkhand

A study of brick kiln migrants by Shah (2006) emphasises the highly segmented nature of this work: “While low-caste Bihari labourers specialise in moulding bricks and Bengali labourers extract clay, Jharkhandi tribal and low-caste labourers carry bricks to and from the furnace, trucks and stores. In the Daisy Factory, Jharkhandi labour accounted for almost half the labour force. Factory owners told me that, unlike Jharkhandis, Bengalis could not endure carrying bricks and considered it a menial task. Jharkhandi women balance up to eight uncooked bricks on their heads. Men either receive these bricks from women to line the furnace, or carry greater loads of up to sixteen cooked bricks on a bamboo sling across their shoulders. “

BANGLADESH

Half of the population of Bangladesh (130 million) is still below the poverty line and at least half of that number – 32 million- lives in extreme poverty (Bangladesh Bureau of Statistics and world Food program 2004). Bangladesh is one of the least urbanised Asian countries. Agriculture is central to the economy of rural Bangladesh and agricultural activities play an important role in shaping the rural labour market by providing employment the the landless. However farm work is not available throughout the year. Other occupations such as pulling bicycle rickshaws and carts, fishing and quilt making are important (Kamruzzaman in Khan and Seeley 2005).

Hands not Land

Toufique and Turton (2002) synthesise a number of studies from Bangladesh which indicate that livelihoods in rural areas are mjore diversified than is commonly understood. They contend that livelihoods are adapting to take advantage of new opportunities afforded by improved infrastructure and communication. Many village households are now sufficiently connected to district headquarters, towns or bigger cities, to have created 'rural livelihoods' that are dependent on incomes derived in urban areas. Villages can therefore no longer be viewed as physically isolated or 'economically discrete' communities.

They argue that whereas all rural livelihoods were at one time directly or indirectly related to agriculture, the changes that have swept through rural Bangladesh have spawned new livelihoods that are completely independent of agricultural activities. Bangladesh witnessed growth in the rural non-agricultural sector during a time when the agricultural sector grew slowly. Large numbers of rural people are migrating to towns and cities for work connected with the creation and maintenance of new infrastructure, or with trading that is linked to national and international markets, even though they may live in villages. The livelihood strategies of many of the rural poor continue to straddle both agricultural and non-agricultural activities.

Casual daily labour is the least preferred employment. The competition is for piece-rate labour contracts and fixed-rent tenancies in the farm sector and for non-farm employment in rural construction activities, transport operations and at the lower end of trade and service activities. For many of the rural poor, livelihood diversification has been distress-driven. Diversification improves poor people's ability to manage risk and spread income and consumption more smoothly across seasons. Migrating in order to secure seasonal agricultural work is an important livelihood strategy for many poor men and women in the more deprived areas of Bangladesh. Daily commuting from village to urban centres, upazilla and district headquarters for work is a growing phenomenon. Fieldwork conducted by Toufique and Turton (2002) showed that for some villages, more than 80 percent of income was derived from outside the village. The phenomenon of 'multi-locational' households – in which household members may temporarily reside away from the village in order to secure desirable work – is becoming common.

In order to take advantage of new livelihood opportunities people must draw heavily on a range of assets: human, social and financial which are fast becoming as important as natural assets (such land and water). Access to these assets enhances the capacity of households to shift from one livelihood to another or to combine livelihood strategies.

The study stresses that the capacity to "shift" livelihoods is increasingly becoming a new dividing line within the ranks of the poor, with those unable to negotiate such shifts emerging as new categories of poor. They cite the example of rural artisan groups and nature-dependent ethnic minorities whose traditional occupations are disappearing but for whom compensatory entry into new occupations is uncertain. In contrast are women labourers who lost their traditional employment in dheki (home-based manual rice milling) was compensated for by entry into milling work in the chatals (mechanised rice mills). Many rural households have successfully shifted out of agriculture but middle and upper income groups have been more successful at this because of their superior endowments in social, institutional and economic spheres. For the poor labour is their major asset but even this is compromised by their lack of education and skills, poor health. Some barriers have been overcome; for example through access to credit as a result of better

credit markets. They note “Without appropriate skills at a sufficiently high level, education and knowledge, poor people quickly reach a glass ceiling that limits further progress. This has created polarisation. When poorer households do find employment in the non-agricultural sector, they may find that wages are no higher than agricultural wages and the conditions are worse.”

DFID and Proshika study of extreme poverty

A three year Proshika and DFID funded research project on the livelihoods of the extreme poor in Bangladesh provides us with a clearer understanding of poverty and livelihood constraints and opportunities (Khan and Seeley 2005). The study was carried out in 16 villages with high levels of extreme poverty from eight thanas representing different agroecological zones: Niamatpur Durgapur, Patgram and Puthia, in the north and Rangamati, Kotalipara, Rampal, Chakaria in the south. Data were mainly qualitative collected through life histories of 294 people over six months in 2002. Analysis was done manually with textual content analysis. An additional study on adolescent girls was carried out in 2003 interviewing 60 individuals.

There are distinct divisions in the thanas and villages as under:

- Northwest (Niamatpur and Puthia) is mainly inhabited by Santal tribals –
- Chakaria and Rangamati have much fishing and inhabited by Buddhist Chakma tribals
- Shrimp farming is widespread in the Ganges tidal plains of Rampal
- Cycle rickshaws everywhere except hilly Rangamati
- Durgapur is inhabited by the Christian Garo and Hindu Hajong tribes.

Day labouring (farm and nonfarm) and other kind of labouring were important in all villages. The poor in Rampal and Chakaria are fish workers. Patgram and Niamatpur poor work in crop fields (mainly paddy). The poor in Rangamati and Durgapur collect forest produce.

The study identifies the following categories of labourers in Bangladesh agricultural labourer, share-cropper, fishing labourer, fish processing worker, gher (shrimp worker), salt labourer, earth digger, van and rickshaw puller, road worker, housemaid, servant. Other occupations of the poor included small business, vending, subsistence farming and sharecropping.

Agricultural labourers work for landlords variously known as *jotdar*, *garhostha*, *dhani krishak* and *zamindar*. As in India there is a form of attached farm servant here – the tied worker or *proja*. He lives on the land and has to work for the landowner during the growing season for 4000 taka annually paid as instalments throughout the year. He also works in the landlord's house. His wife is also expected to work in the house in exchange for food but no wages.

Wages for daily workers are paid in cash and kind (unprocessed paddy or rice) everywhere and vary by season and place. While agricultural wages are higher during peak seasons this is affected by immigration from other areas. Patgram with its feudal history and dependence on the local “*raja*” had the lowest wages. Wages were highest in hilly Rangamati.

Social networks be they in the form of traditional patron client relationships such as *projali* or *dewani* sharecropping in Patgram or mutual trust contracts for casual work continue to play an important role in reducing risk and providing security although there are elements of exploitation.

Dalals play an important role in providing information and networking in almost every sphere of the livelihoods of the poor (Purvez in Khan and Seeley: 97) especially Chakaria, Patgram, Rangamati and Durgapur.

In general men earn more than women but differences are least among Santals. Women are usually limited to domestic work that is related to their reproductive role. A majority of women in

remote villages work as housemaids in rich peoples hosues. Poor santal, hajong, chakma and garo women have more freedom than hindu and muslims. Among muslims only destitute women can work outside the home. But poor mulsim women in patgram work because of extreme poverty.

The labour market for tribals is controlled by the Bengalis (hindus and muslims). Although they are regarded as hardworking they are also seen as prone to alcoholism and are subjected to discrimination. The study documents the poor treatment meted out to the Santals in Niamatpur who are given poor food and comparatively low wages compared to workers from other communities. They are prevented from pursuing remunerative options by the local elite: when a Santal man set up a groceryshop the Bengalis did not buy from him.

The indigenous chakma people who lived off shifting cultivation have been displaced by immigrant Bengalis who now control all business and farming. Chakmas work as labourers in fishing or forestry.

The monsoon hits agriculture and forestry workers hard and many now migrate. Out of 294 respondents, 110 had migrated. Of these 67 came from well connected villages. Migration from durgapur and chakaria was high and low in Rangmati. But not all can take up this option as in the case of the hindus of Kakrabunia village of Rampal where communications and social networks with the outside world are very limited. While 51 respondents said that they had benefited in some way many others related stories of theft, difficulties for those left behind, tough living conditions etc.

The poor may gain economic opportunities by putting to work established social networks and relationships. They may for example obtain job information through patrons. Groups of people may cooperate with each to reduce the risk of migration and share equipment and knowledge. However as Purvez notes (p107) "much depends on who you are and whether you can build up and service a network that is advantageous to you. Many poor women and men cannot and, and so are unable to make use of network contacts to help themselves come out of chronic poverty". In other words it is not just being born with in the right caste and class but also being in the place at the right time and possessing the ability to gain trust and confidence through relationships that can help. There are clearly several uncertainties and elements to such trajectories that make them especially challenging for interventions to build upon.

Conclusions

The studies reviewed here once again confirm the observation that rural labour markets in South Asia are characterised by the informal nature of work contracts, a predominance of casual workers, a multiplicity of income sources and extra market relations (Walker and Ryan 1990). The case studies show that markets are highly segmented where wage differentials and the amount of work available are not strictly determined by productivity and the demand and supply of labour. Other factors such as caste, ethnicity, gender and age play an important role. Those who belong to historically disadvantaged groups are more likely to be labourers and limited to poorly paid work. There are strong divisions within these broad social categories as the case studies show and this too must be taken into account while understanding the nature of labour markets in South Asia.

Segmentation along gender lines is widespread with certain kinds of tasks being performed almost exclusively by women due to culturally determined preconceptions and stereotypes about what should and can be done by women and girls. Women are routinely paid less than men for comparable tasks. Linked to this is the feminisation of the rural labour force - the latest Indian census figures show that there has been a progressive feminisation of the agricultural labour workforce - the proportion of workers engaged as cultivators among males (42.2) exceed those among females (36.50), in the category of agricultural labourers the proportion of workers among females (43.4) far exceeds males (27.5). The situation in Bangladesh is somewhat different, as the studies contained in the book edited by Khan and Seeley show, because of strong cultural norms which prevent muslim (and to some extent hindu) women, from undertaking work outside the home. Only the very poorest and destitute women are "free" to work outside.

While segmentation reduces competition at the workplace to some extent because there is limited movement between categories of workers and jobs, it also perpetuates exploitation and underpayment of those who are socially and politically weak. Increasing awareness among such groups about their rights and civil society pressure on employers is important.

Where households have been able to break out of poverty they have had to draw on human resources, social networks and strong ties within the household to be able to juggle options to their best advantage and access emerging opportunities.

Nearly all the studies discussed in this paper show that seasonal migration has emerged as an important livelihood option for poor rural labouring households in low agricultural productivity situations. Yet this reality is not reflected accurately in national level statistics.

The critical conclusion is to adopt a holistic view of the local rural economy and its changing mix of livelihood opportunities rather than taking a purely sectoral approach. There is a need to recognise that livelihoods are multi-locational and provide people with an environment where they can make informed choices. Mobility needs to be supported through the development of migrant friendly services.

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Annexes

Table 1: Summary information for ODI sample districts and villages in MP and AP

Madhya Pradesh		
Ujjain (Malwa)	Tikamgarh (Bundelkhand)	Mandla (Mahakoshal)
PR (near) & LJ (far)	SM (near) & MB (far)	GG (near) & PT (far)
Agriculturally prosperous. Deep black cotton soils, semi-arid, tube-well irrigated, soyabean and wheat.	Average agricultural development. Medium to shallow black soils, well and tank irrigation, soyabean, pulses, rice and wheat.	Hilly, forested, often infertile shallow black soils. Limited irrigation and limited spread of intensive agriculture. Rice & pulses
<ul style="list-style-type: none"> • Mixed caste • Polarised land distribution 	<ul style="list-style-type: none"> • Caste hierarchies from feudal legacy • Polarised land distribution 	<ul style="list-style-type: none"> • Large number of tribals • More equitable land holdings
Andhra Pradesh		
Krishna (Coastal Andhra)	Chittoor (Rayalseema)	Medak (Telangana)
KO (near) & KA (far)	OP (near)&VP (far)	Gu (near) & MD (far)
Agricultural prosperous, canal irrigated, paddy, pulses, sugarcane	Semi-arid, tank and tubewell irrigated, well connected with large cities, groundnut, paddy, mulberry, tomato	Semi-arid, socially backward, mainly tank irrigated or rainfed agriculture, sorghum, paddy, cotton, maize
<ul style="list-style-type: none"> • Mixed caste but FC dominated • Polarised land distribution 	<ul style="list-style-type: none"> • BCs have emerged as powerful in remote village recently • More equitable land holding 	<ul style="list-style-type: none"> • Traditional caste hierarchy • Land distribution still along feudal lines in remote village

Table 2 Activity shares by mean % points

AP	Cropping	Ag labour	Allied & NR	Total ag	Non-ag Labour	Self-employed	Salaried	Total non-ag	Total
Poorest	12	45	13	71	16	12	2	29	100
2	11	37	12	59	25	13	2	41	100
3	21	35	13	69	10	12	8	31	100
4	28	21	11	60	8	24	7	40	100
Richest	43	9	7	59	7	22	12	41	100
% point average	23	29	11	64	13	17	7	36	100
Total average	28	25	12	65	13	16	6	35	100

Table 3 Typical casual work contracts across villages in AP

Village	Hours	Cash (Rs) /Grain payment	Kind
KO	9am-4pm harvesting/transplanting	60-70 men 50 women	Nothing
	8-1pm weeding	30 men women	
KA	Same	45-50 men 35-40 women	Nothing
GU	12 noon-6 pm weeding, spraying	50 men 25 women	2 bottles of toddy for men and 1 for women
	harvesting 12 noon -6pm	10 kg per day	
MD	10am-6.30 pm weeding	40 men and 20 women	2 bottles of toddy for men and 1 for women
	harvesting timings same	10-11 kg paddy men 8 kg women	
OP	9.30-5.30 weeding	30 men 25 women	One meal
	9.30-5.30 harvesting/transplanting	35 men 30 women	Two meals
	6 am- 6 pm jaggery making	50 men 40 women	
VP	9.30am-5.30pm harvesting	30 men 25 women	One meal
	6am-6pm sugarcane work	35 men 30 women	Two meals
	6am-6pm sericulture work or at night 8pm to 8 am	50 men 40 women; 40 men women (night)	Two meals plus residues for cattle

Table 5 Typical Attached Labour Contracts across villages in AP

Village	Hours	Main Payment	Other remuneration
KO	12 hours or more but they do not live on the premises of the patron. One hour break at noon	Rs 1500 per month or grain @ 20-30 bags per year For a child Rs 6-8000 per year or 15-20 bags of grain	Leftovers Breakfast and tea, clothes Can take the money in advance if they need to Access to institutional credit through employers reference

KA	On call all day	Grain 14-15 bags per year Three meals a day	Clothes
OP	On call all day	Rs 8000 per year Three meals a day	
MD Type I	On call all day	Rs 4000 per year Three meals a day Rs 1500-2000 for child. Three meals a day	Clothes, blanket
MD Type II	5 am to 7-8 pm	Rs 5000-5500 for adult Mid day meal but not always Rs 1500 for child Mid day meal but not always	
GU	8am-7pm	Rs 700 per month for agriculture labour Rs 400 per month for cattle grazing One meal a day	Can take the money in advance if they need to

Table 5 Gutta arrangements in KO

Task	Terms	Timings
Separating seed beds (men) and Transplanting (women)	Rs 900-1000/acre depending on season	Work from 7-6 pm Usually earn twice the ordinary wage. The mestri works alongside. The mestri is often a woman if its women's work. She gets a commission.
Harvesting and piling	Rs 650/acre	
Threshing	750 rupees/acre (40:60 share for owner and driver of tractor as well as the 15 or so workers)	
Harvesting black gram	Rs 100/day per person in peak season 9-4 pm	

Table 6 Income shares by subsector in MP

MP	Cropping	Ag labour	Allied & NR	Total ag	Non-ag labour	Self-employed	Salaried	Total non-ag	Total
Poorest	3	16	53	72	4	8	16	28	100
2	26	20	9	56	13	23	7	44	100
3	32	11	8	56	12	16	15	44	100
4	36	6	8	51	10	14	26	49	100
Richest	60	1	15	76	2	10	12	24	100
% point average	31	11	18	62	8	14	15	38	100
Total average	49	5	15	69	5	12	14	31	100