



Graduate School of Development Studies

INSTITUTIONALIZATION OF MIGRATION:

The Case of Bihar, India

A Research Paper presented by:

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(India)

In partial fulfilment of the requirements for obtaining the degree of
MASTERS OF ARTS IN DEVELOPMENT STUDIES

Specialisation:

**Governance and Democracy
(G &D)**

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The Hague, The Netherlands
September, 2008

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Dedication

To Bihar, India

*“hamari bin muthi mein aakash saara,
jab bhi khulegi chamkega taara”*

[In our reach dwells the whole sky, whenever we desire the stars shall shine]

Acknowledgements

We often think that the problems we face are unique to us. My interactions with Karim were instrumental in pulling me out of this ignorance. Sometimes as Karim puts it - it's all about drawing a balance between the general and specific. Karim, I am extremely thankful to you for your guidance through the research process. This research was my exercise to look around [look beyond Bihar, which is sometimes my obsession] and reflect on the developments in my context through the lenses of the larger debate. In the process I have learnt from the questions people faced around migration management and how they have manoeuvred the solutions.

I would like to thank Anirban, my second reader, for his insightful inputs through the process of thesis writing. Comments from Dr. Ashwani Saith and Dr. Bridget O’Laughlin were also vital for the development of this paper. I am also thankful to all my interview respondents who have contributed significantly to my understanding of the subject.

Further, I would like to thank Lubna for being a wonderful and ever-approachable program administrator. And finally, I would like to thank all my friends at ISS who made the journey enjoyable. I would not have been able to ‘do it’ without you all.

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List of Acronyms

DFID	Department for International Development
IL&FS	Infrastructure Leasing and Financial Services Ltd
IOM	International Organization for Migration
INR	Indian Rupees
LDC	Least Developed Countries
NELM	New Economics of Labour Management
NGO	Non-Governmental Organisations
NREGA	National Rural Employment Guarantee Act
NSSO	National Sample Survey Organization
OBC	Other Backward Castes
OWWA	Overseas Welfare Workers Fund
SSRC	Social Science Research Council

Glossary

Apravasi Mazdoor Durghatna Yojana	Migrant Labour Accident Program
Instituto Espanol de Emigracion	Spanish Institute for Emigration

CHAPTER 1

Migration as Millennium Development Goal Plan B

Migration has become one of the most defining issues for development; more so now than ever before. In the last few decades, both international and internal migration has grown despite regulations, violent backlashes on migrants and scepticism about its long-term benefits [IOM, n.d.; SSRC, 2008]. When Lant Pritchett [cited in Howley, 2008] says - “Migration is Millennium Development Goal Plan B”, he skilfully articulates the significance enjoyed by migration as a development strategy in the third world. Lately, this optimism over migration has led to important changes. One of them being its rapid institutionalization - an activity that was largely managed through family and informal networks of friends, relatives and private agents till late is fast entering the formal domain and being taken over by the state.

What does the term “institutionalization of migration” mean? In the newly emerging literature on the subject many of the explorations [Gonzalez, 1998; Stetter, 2000; Smith, 2006] see the role of the state as the defining criteria for the process of institutionalization - “creation of legal, institutional and policy framework governing the process of migration by state authorities” [Smith, 2006: 300]. There are variants, defining it as adaptation of the community to migration processes [Kanaiaupuni and Donato, 1999] or emergence of transnational systems governing the process of migration, mainly through private actors [Rouse, 1991]. Nevertheless, much of the institutionalization literature is occupied with enhancing the state control of the process, devising better policy instruments and learning from the experiences of state-led labour-export of pioneer countries [Gonzalez, 1998; Agunias and Ruiz, 2007]. It may not be accurate to call the phenomenon new. There are examples of state regulated emigration from as long ago as 1950s viz. *Instituto Espanol de Emigracion* in Spain or Philippines which started formal export of labour in the 1970s [Siracusa and Acacio, 2004]. What is new, however, is the spread, acceptance and formalization of such processes of labour-export.

The theoretical support for the institutionalization of migration comes largely from neo-classical economists [Taylor, 2006; Ratha and Shaw 2007] who have found migration to possess great potential - “a radical solution to an unbearable problem” [Moses, 2006: 8]. The common argument of the pro-institutionalization scholars has been that while rural-urban migration may be an inevitable phenomenon being driven by high inequality among regions, the question the state faces is to make migration part of a dynamic process of income growth or let it be a response to limited opportunities in migrant-sending areas. The critical school, with more materialist explanations of migration, on the contrary, has been sceptical and termed the phenomenon as a resurgence of the trickle-down theories of the 60s [Castles, 2004]. It explains migration in terms of the exploitative political-economic relationship that exists between the sending and receiving regions. Institutionalization of migration is seen as yet another drive to commodification of labour by the state to fulfil the ever-present/growing demand of cheap labour from capital [Jones and Findlay, 1998; Rudnyckj 2004].

Notably, in the rather sporadic and public-policy driven accounts of state [or non-state] efforts at managing migration, one has missed a holistic understanding of the process of institutionalization of migration. For example, the broad-ranging guidelines such as ones offered by DFID [how to make migration work for the poor] and IOM have been limited to collating successful experiments leading to blanket replications of migration management models with little success. The polarized theoretical debates among scholars have been another hurdle to a concerted and systematic thinking. Research has been limited to highlighting the impact on regional economies [both positive and negative] than with identifying the process per se. The paper posits that whether efforts at institutionalization of migration are a feasible strategy for economic growth would require a greater appreciation of the entire process.

An overview of work on institutionalization of migration [Gonzalez, 1998; Mackenzie, 2005] suggests that it can be unpacked into three levels- beginning with the question of who leads the process - the 'Actor question', to what instruments are available to the Actor - the 'Instrument question' and finally the question of feasibility [political, social and economic] of the instruments in the given context - the 'Context question'. A wide range of debates surround each of the three levels of institutionalization. This study tries to conceptualise and analyse the process of institutionalization in the form of these three levels of actor, instrument and context, using two key theoretical perspectives on migration - the liberal and the critical as the modes of analysis. The contention of the author is that while the liberal prescriptions need to be improvised and perfected it is important to keep the critique in mind while making policies. Adopting policies for better migration management may not be sufficient; imaginative thinking and addressing the structural fallacies may be more important and effective in certain contexts.

Bihar¹, India serves as the context for this study. Ridden with the worst of poverty, income inequality, absence of a production base, massive outflow of migrants and the recent interest of the state in managing migration, Bihar is a model case for studying the process of institutionalization of migration. What makes it even more appealing is the fact that it is a case of south-south institutionalization of migration within a country i.e. internal migration. Chapter 2 elaborates on the context of Bihar. Chapter 3 weaves the key theoretical debates with the three levels of analysis to develop an analytical framework.

The first analytical question relates to the ownership of the exercise - the question of the 'Actor'. Does it have to be the state? What is the role of the private sector or can we have a compact between the two? There is much writ-

¹ Bihar is one of the 28 states of India lying in the eastern part of the country. With a population of 90 million, 37 million of them below the poverty line, Bihar represents one of the most densely populated agglomerations of poor people anywhere in the world. Lately, it has emerged as a hot-spot for development action in India. One of the possible sources to pump the prime of economic growth, some intellectuals posit, could be its large migrant Diaspora and the large amount of remittances that it receives [World Bank, 2007; Singh, 2008].

ten on the growing obsolescence of state [Moses, 2006; Siracusa and Acacio, 2004] but the market too is ridden with failures. Chapter 4 engages with these questions in the context of institutionalization of migration.

The second level of the process is related to the policy 'instruments'. What are the policy instruments available to the actors to be able to tame the phenomenon i.e. to bridge the gap between migration and economic growth? Chapter 5 brings out the contradictions in the two major theoretical positions where the liberal school puts greater efforts in enhancing the regulatory and supporting role of the state through better institutional mechanisms/instruments while the critical school asks for corrective mechanism to address the deeper structural causes behind migration.

The third and last level of analysis is the political feasibility of the instruments in a certain context. The premise is that even if the state was fully capable of carrying out this process and the right instruments were available, the question of its political or economic feasibility would remain. The context of Bihar shows that structure could pose serious limitations thus more ingenuity would be required while designing policies.

Much of the discussion on migration has reflected concerns of the receiving economies. One important point of departure for this research is that it looks at institutionalization of migration from the view-point of the labour exporting economies. Further, there is limited work on how the government could streamline and multiply the benefits from internal seasonal migration where seemingly they are better placed vis-à-vis international migration which happens outside their jurisdiction.

CHAPTER 2

Bihar as a Case for Institutionalization of Migration

Bihar has emerged as a hot spot for development action in India in the recent years. Out of the numerous interventions to combat poverty and stir growth, one idea that has been making rounds is that of better management of migration from Bihar. Bihar receives 2.3 billion USD annually from its national Diaspora, an amount which is more than quarter of its annual GSDP [7.72 billion USD]². Every year the state sends hordes of migrants on a seasonal basis across the country which brings in the much needed succour for its decadent economy. After some serious human rights violations [killing and marauding of Bihari migrants at destination sites by regional jingoists] and repeated emphasis by scholars such as Priya Deshingkar for recognition of the rights of migrants, there are talks on how to create better mechanisms to serve the needs of migrants and make it also a source of economic growth for the state.

It is important to appreciate that in the Indian context, the idea of ‘migration as an opportunity in need of investment’ is fairly recent and marks a significant shift from the earlier approach. There has been a heavy emphasis on curtailing internal seasonal migration from the migration-prone regions as it was seen as a symptom of failure for an economy to self-provide. Development programmes have been evaluated for their impact on migration i.e. how much migration they have been able to contain. Several migration scholars have struggled to create a greater acceptance for migration as a means of livelihood while pointing at the problematic ‘sedentary bias’ in public policies [De Haan, 2004; Deshingkar, 2005 and Rodgers, 2004]. It is only lately that policy-makers have started to look at management of migration as an innovative solution for ‘new age livelihood enhancement’.

2.1 Bihar’s Economy and Migration

Bihar is the third most populous state [880 persons per sq. km] and is known to be the most backward state of India with poor performance on all economic, human and social development indicators. The state figures among the slowest growing states in India - in the 1990s the state grew at 2.69 per cent per annum between 1991-92 and 1997-98 compared to the growth rate of all major states at 6 per cent [Sharma, 2005]. To make matters worse the population growth rate has risen from 23.4 per cent in the 1980s to 28.4 in the 1990s. The overall impact of the demographic situation, coupled with slow growth has led to economic retrogression of the state. Bihar’s per capita income which was 60 per cent of the national average during the 1960s has come down to 34 per cent in 1997-98 [ibid]. Further, after the division of the

² Figures calculated using Statistics from Guruswamy, 2004 and ODI cited in bihartimes [2007]

state in 2001 and creation of another state Jharkhand out of it, it is left with only large stretch of plains with no industry.

Presently, Bihar is the least urbanised state with less than 10 per cent of urban population. The agricultural sector, which employs 73 per cent of the working population is also characterised by low productivity and the agricultural income per capita is half of the national average [one-fifth of the income of agriculturally advanced states such as Punjab]. The productive employment in non-agriculture sector has not grown as much as the other states and whatever industries were there in the state such as jute, sugar etc. have collapsed in the recent years [Sharma, 2005].

Migration income is one of the key sources of income for the Bihari population. Bihar has the highest rate of gross inter-state out-migration in India as per census and NSS both. Nearly five million Biharis migrate in search of livelihood-from petty jobs to small businesses to all parts of India. A recent study by ODI, UK estimated the total remittance inflow in Bihar economy to be close to 90 Billion INR. Reportedly, remittances in Bihar account for more than the annual state budget.

2.2 Putting Forth the Case for Managing Migration

Much of the migration from Bihar, however, takes place in an irregular manner and under high vulnerability. There is no account for majority of this labour outflow, which in most cases happens on a seasonal basis. The Census and NSSO figures fail to capture this large scale movement of labour force as the migrants fall prey to the burgeoning 'grey economy' of the cities. Bihari migrants have also received hostile treatment from the destination areas for eating up into the local employment opportunities and putting additional burden on public infrastructure. In the north-eastern part of India militant groups have targeted and killed Bihari migrants. Even at present, there is a violent movement going on in Mumbai, western India forcing migrants out of the city. Lately, there is growing recognition for the need to invest in migration and its better management. One of the dominant arguments comes from the social security adherents. While speaking on the pervasive anti-migration thinking, Deshingkar [2005:2] insightfully points out -

“In general, the policy environment for migrants is hostile: city master plans aim to keep migrants out; rural development and agriculture policies aim to control out-migration; and migration is viewed as a socially and politically destabilising process. The result is that the costs of migration are borne mainly by the migrant and governments escape the responsibility of providing them with the basic needs.”

What is interesting is that in this emerging pro-migration discourse in Bihar, while the emphasis is largely on human security there are also some who argue that given the extent of migration from the region it could very well be engine to propel economic growth of Bihar. Out of 1000 rural households 126 report remittances as a source of income [this is next to 207/1000 rural households in Kerala] [Kannan and Hari, 2002]. It is this centrality of migration to Bihar's livelihoods [both economic and socio-cultural] that has prompted scholars to look at migration as an opportunity.

Slowly but steadily these arguments are making their way into policy circles in Bihar. Recently, while emphasizing the need to invest in job skills development of Bihari migrants, the Deputy Chairperson of the state planning board commented -

“If people have to migrate to other states in search of jobs, we would at least like to ensure that they acquire better skills and attract better jobs, so that remittances that they give to the state are better”

- Singh, cited in World Bank, 2007:6

There are also parallel talks/efforts to develop a data-base of migrants and recently a new scheme to help labourers in the event of an accident on the job has been launched called “*A Pravasi Mazdoor Durghatana Yojana*” [Migrant labour Accident Programme]. Bihar government has also appointed a representative, a Joint Labour Commissioner in Delhi, the biggest migrant destination to look into the issues related to Bihari migrants and safeguard their interests.

2.3 Internal Migration and Economic Growth - A Growing Argument

In comparison to international migration which has attracted much scholarly attention and debate, internal migration within the LDCs has been a much larger phenomenon involving much larger numbers of people. Sufficient positive evidence exists on the impact of internal migration [as well] on the area of origin. Recent research in China’s agriculture ministry [cited in DFID, 2007] shows internal migration is better able to boost economies in the poorer rural sector and remittances from the country’s fast-growing urban labourers are likely to surpass agriculture as the biggest generators of income in the rural areas they left. Participation in migration foster household farm investments in sending regions and rural out-migration especially has been found to have strong safety-valve functions in order to preserve the existing relations in agriculture [Mendola, 2006]. There is ample evidence that urban-to-rural remittances have been used to transform agricultural modes of production [Stark, 1986]. The puzzle that has occupied scholars is why, in some cases [and not in others], urban-to-rural remittances have had little impact on agricultural development. Stark [1986] argues that remittances can be turned into a vehicle of rural prosperity and this may require some institutional intervention to induce migrants to remit more and their rural families to utilize what they receive more productively.

CHAPTER 3

Migration-Growth Nexus

In the introductory chapter we touched upon the rising enthusiasm about Diaspora-driven economic growth and its increasing institutionalization. However, not everyone is as optimistic about the growth impact of remittances and migration [Papademetriou and Martin, 1991; Castles, 2008]. The literature on migration is fraught with competing explanations on how migration [and its recent institutionalization] leads to growth and if not why it has failed to trigger the much claimed upward growth spiral in areas of origin. For the purpose of this study, we categorise these arguments under two broad umbrellas - the 'liberal school' and the 'critical school'. The liberal school is characterised by "the rational calculus of the individual actor which is expected to achieve equilibrium in the spatial distribution of the factors of production through the geographic mobility of labour" [Wood, 1982: 299]. On the contrary, the critical school takes a more historic-structuralist view on migration, stresses on the origin of the costs and benefits which form the basis of the 'rational calculus' in the previous school, only to highlight the limitations to the institutionalization process. Both the schools stand in contrast, with disagreements on a variety of aspects be it the object of inquiry [individuals vs. structures] or method of data-collection [analytic vs. the historical treatment of class structure] or the variables studied and emphasized [ibid]. We elaborate more on the theses and contentions between two schools in the first half of the chapter. In the second half, we use these two leading theoretical positions to develop an analytical framework which guides our study of the process of institutionalization of migration in Bihar.

3.1 Liberal School and Migration

Before we begin, it is important to acknowledge that within the liberal tradition, which informs the literature on institutionalization of migration, there is a considerable amount of disagreement on whether and how migration leads to growth. The greatest dissonance being between the exogenous and the endogenous growth models which often stand with two competing explanations of the growth process. They have, however, been clubbed together in this exercise because they share their unit of analysis - the individual as a rational actor.

3.1.1 Migration as the Panacea – Neo-Classical Theories

"Free migration offers the potential and hope to a better an unjust world - a radical solution to an unbearable problem!"
Moses, 2006:12

A world Bank study done in year 2005 showed that if the 30 affluent countries making up the OECD were to allow just 3 per cent rise in the size of their labour forces through loosened immigration restrictions, the gains to the poor countries would be of the order of 300 billion USD [Howley, 2008]. In return, the wealthy nations would gain 51 billion USD by boosting returns to capital and reducing the cost of production!

Much of the support for migration [thus remittances] as the fuel to economic growth comes from the international theory of trade [Ricardian law of comparative advantage, Heckcher-Ohlin-Samuelson model] and exogenous theories of growth offered by neo-classical economics [Solow's growth model]. Explanations inspired especially by neoclassical economics stress the importance of economic equilibrium, self-regulation through the labour market, and the law of supply and demand for understanding the changes in migration policy [Giugni and Passy, 2006].³ It is helpful to scan through some of the important theories which have contributed to the evolution on thinking on migration and growth. To begin, the principle of comparative advantage was used by David Ricardo in the context of trade to show that a country can benefit from specializing in and exporting the product[s] for which it has the lowest opportunity cost of production. The same model was used widely to bring out the central position of absolute advantage in international migration theory. The Ricardian model, however, was found to be too simple for many important aspects of migration [Ethier, 1986]. The assumption of just one primary factor of production rendered migration indistinguishable from a general international movement of productive capacity and the incapacity to distinguish any distinctive features of labour in the model was found to be a serious limitation [ibid].⁴ The response to this limitation was the Heckscher-Ohlin-Samuelson [HOS] model which emerged as the principal tool used by trade theory to study the effects of 'relative endowment differences' and did the job of introducing distinctions between factors in migration theory. As per the 'factor price equalisation' argument of HOS model, movement of labour was expected to lead to equilibrium when the remaining wage-gap represented the cost of migration between the two countries leading to stopping of migration. The major limitation for the trade models on migration, however, was that they were only valid if there was free movement of labour and there were only two factors of production [Ethier, 1986].

³ Neoclassical economics focuses on allocation of resources at a given time. This attribute is embodied in Robbins' definition—the allocation of scarce resources among alternative uses—which has become the standard definition of neoclassical economics [Giugni and Passy, 2006]. While the neo-classical economists would deny the existence of anything by the name 'neo-classical economics' and prefer to call it just scientific economics, critics such as Arnsperger and Varoufakis [cited in Giugni and Passy, 2006] identify three meta-axioms that characterizes the discourse- methodological individualism, methodological instrumentalism and methodological equilibration.

⁴ To add on, the fact that the world that Ricardo referred to was a closed financial world with limited mobility of money makes the model even less utilizable at present.

The neo-classical Solow model⁵ for long-term economic growth gave further credence to the convergence thesis. As per this model, free inter-regional flows of labour and capital between the rich and the poor regions, where labour and capital are seen as substitutes [though not perfect] were expected to lead to income convergence [Todaro and Smith, 2006]. As per this model labour would travel from low-wage to high-wage economies and capital would move in the other direction. This would tend to depress wages in the migrant-destination countries, while raising them in the sending countries. Migration, thus would work as an effective means to growth as each region would capitalize on its surplus resource. As per this model, the more developed region was assured of an adequate supply of labour while finding an outlet for its capital to be invested in capital-poor regions where returns on capital might be higher. On the other hand, the poor regions were relieved of surplus labour while also benefiting from capital inflows [Todaro and Smith, 2006; Salvatore, 1981]. Woods [1982] names the neo-classical economic approach to migration as the ‘Equilibrium model of migration’ where by conquering the ‘tyranny of space’ and by redistributing human capital from places of low productivity to places of high productivity, migration eventually corrects rural-urban and interregional imbalances in returns on factors of production.

While much of the claims of the neo-classical economics stand challenged today⁶ [Myrdal and Hirschman, 1958 cited in Salvatore, 1981, Woods, 1982], the talks on institutionalization of migration have certainly brought their arguments once again on the discussion table. It is increasingly highlighted that people are the most important export of many LDCs in terms of the foreign exchange they generate [Taylor, 2006]. International migrant remittances form a growing share of national income in many countries. They also form a significant part of the FDI flowing into developing countries. It is remarkable how out of the £27 billion of FDI received by China half of it came from the Chinese Diaspora [DFID, 2007]. Remittances have great potential to foster development as they are person-to person flow, counter-cyclical and are known to have helped countries such as Philippines and Turkey in their balance of payment crisis [Ratha, 2004]. Scholars such as Pritchett [cited by Howley, 2008:2], openly advocate that while migration is a consequence of underdevelopment and economic stagnation, “the cases of Mexico and the Philippines show that managed effectively it could also be part of the cure”. The common argument of the pro-institutionalization scholars has been that

⁵ The Solow model has been interpreted as predicting that the per capita incomes of economies would tend to converge to the same level over time as lower income nations grow faster than higher income nations, assuming they all had access to the same technology and shared similar saving and investment rates [Todaro and Smith, 2006]. As per this model of growth, a larger physical capital was expected to boost the level of income by increasing the productivity of each worker. Many neoclassical economists considered that poor countries experiencing difficulty in accumulating additional physical capital could complement their accumulation by external financing such as aids, loans, FDI or remittances [ibid].

⁶ These theories have been criticized for being individualistic and largely ahistorical and for relying on the doubtful assumptions of the maximization of utility by both migrants and policy-makers and thus for being too simplistic to predict migration flows.

while rural-urban migration may be an inevitable phenomenon being driven by high inequality among regions, the question the state faces is to make migration part of a dynamic process of income growth or let it be a response to limited opportunities in migrant-sending areas [Mendola,2006].

3. 1.2 New Endogenous Growth Theories

The endogenous growth/ new growth models stated that growth is essentially an endogenous process, coming from within each particular economy with each having a different production function, reflecting different quantities and qualities of its inputs [Todaro and Smith, 2006]. Remittances as source of economic growth was, however, inspired from the exogenous growth models where remittances served as external injections of capital. Endogenous growth theories, due to their focus on the endogenous forces behind creating a growth-driven economy, are critical to this conception of growth.

The basic contribution of new endogenous growth theories was to allow for the formal modelling of divergences from standard neoclassical assumptions - that technological change is exogenous, that the same technological opportunities are freely available and can be used efficiently in all countries of the world [Todaro and Smith, 2006]. In addition, the assumption of decreasing returns to a narrow concept of capital [including only physical capital] was replaced by the assumption of constant returns [and also increasing] to a broad measure of capital [including human capital and infrastructure] [Crafts, 1996a cited in Martin and Sunley, 1998; Kibritcioglu, 2002]. In simple words, the purpose of endogenous theory was to seek an understanding of this interplay between technological knowledge and various structural characteristics of the economy and the society, and to know how such interplay results in economic growth.

Because of its explicit emphasis on structural aspects of the innovations process, endogenous growth theory have made it possible to bridge the gap between theory and various strands of empirical and historical literature [Aghion and Howitt, 1999]. Crafts [1996 cited in Aghion and Howitt, 1999: 6] says that using endogenous growth theories institutions [and policy-making] can be placed at the heart of the growth process in a rigorous way. Endogenous growth theory has come to show that economic policy in general and under certain conditions specific support to selected economic sectors can raise the rate of growth. It has thus, emphasized the role of governments' fiscal, technology, education and health policies in the process of economic growth. There has, however, been increasing abuse of this aspect of the endogenous theory. Romer critiques this tendency to apply endogenous growth theory hastily to every situation by saying that "a lot of people see endogenous growth theory as a blanket seal of approval for all their favourite government interventions, many of which are very wrong-headed".

3.1.3. The Hyper-Globalizers' critique... "Taming Migration is Difficult"

Another set of criticism on institutionalization of migration come from the hyper-globalizers for whom any attempts to tame migration is bound to fail. As per this group, states have found it difficult to convert migration benefits into

systematic earnings because of the dying ability of the states to successfully regulate migration. In international and internal migration both, most of the remittances flow into the source areas through channels not in control of governments. There are examples of how a huge informal economy operates beyond the surveillance of the government and the governments find it difficult to track or tame the activities of the actors involved. Any such attempts to tame migration have also been found to lead to adverse results. For example, Siracusa and Acacio [2004] argue that in construction of legitimate migrant-exporting models the state can open new spaces for illicit migration as well. Taking the example of Spain and Philippines the authors show how with well-organised state schemes to control emigration, the state has still failed to regulate the illegal private recruiters, even the segment that operates with state-issued licenses.

If the benefits of migration were as large as claimed by the neo-classical economists, why has migration not been able to stimulate the much claimed upward growth spiral? As we saw, within the liberal school there are theories which attempt an explanation. The appreciation of the context and the history makes the endogenous growth theories coincide with the critical school at times. However, the exogenous and endogenous theories still operate within the same paradigm of liberal thought where the problem in understanding migratory processes is seen through the economic lenses only. Further, while the endogenous growth models emphasize the role of governments' policies, strength of institutions at home etc. the hyper-globalizers find fault in the absence of capacity within the state to manage the process. None of them, however, challenge the need to do so and try to study the interests that it might be reflecting. Interestingly, contrary to the line of argument where migration is seen as a phenomenon which cannot be controlled by the state, according to the critical scholars much of the migration - organised by the state or unregulated migration - is all seen as a part of a larger orchestrated design where the state is a key role player protecting the interests of private players or maximising its own welfare. This is explored in the next sub-section.

3.2 Critical School and Migration - Migration is part of the Global Politics of Production

From the standpoint of historical materialism, any analysis of the world we live in must be grounded in an understanding of the way in which human beings have organised the production and reproduction of their material lives. Braudel's 'dialectics of duration' perspective gives another lens to critically analyse the phenomenon. What seems to be constraining the limits of public policy in governing migration could be a part of a larger schema - "some sets of events and actions are characterized by certain regularities and express social practices [*longue duree*] that are institutionalized within identifiable epochs...it is the *geste repetes* that form historical structures that constitute and constrain the limits of what is politically possible for different classes and social groups at a certain moment in time" [Gill, 2003:49]. Migration and institutionalization of migration can also be studied as a reproduction of a larger schema of global production where it is in the interest of producers to have labour available at

cheap costs and the state acts in this very direction so as to ensure this supply [Jones and Findlay, 1998].

According to the neo-classical model the mere existence of economic disparities between regions is sufficient to generate migrant flows and in the long run such flows are expected to help equalise wages and conditions in underdeveloped and developed regions, leading to economic equilibrium. By contrast, the critical approach sees migration as a way of mobilizing cheap labour for capital - "It perpetuates the underdevelopment that was a legacy of European colonialism, exploiting the resources of the poor countries to make the richer ones even richer" [Woods, 1982:301]. As per this school migration cannot be conceived principally as the calculated result of self-interested individuals which in turn results in equilibrium between resources and production factors. It has to be understood and analysed in the context of class structure and conflict [Papademetriou, 1989 cited by Appleyard, 1992].

Some authors have analysed the role of the welfare state in maintaining a reserve army of labour for capital at appropriate and skills level. Magdoff and Magdoff [cited in Mukherjee, 2005: 5] write that:

"Because workers have only one way to live under capitalism by selling their labour power - a reserve army necessitates some mechanisms for maintaining the unemployed and those earning poverty wages in a state in which they are available and ready to work when capital calls...of course, it is also to capital's advantage to diffuse the cost of welfare programmes with as much funding as possible coming from charitable institutions or the workers themselves."

- Magdoff and Magdoff, cited in Mukherjee, 2005: 5

Stark [1991] offers an interesting perspective on irregular and unregulated migration to show why governments did not want to stem the tide of migrants to the cities. As per him, the logic drew upon the profit-maximisation motive of government officials. By dampening urban wages, or mitigating their rise, migration increased profits and thus, served the fundamental interests of these profit-earners. In a similar vein, migration served the interests of urban landlords in raising or putting an upward pressure on urban rents. Siracusa and Acacio [2004] show how the state in Spain [during late 50s till early 70s] and Philippines [70 onwards] systematically replaced the private recruiters in labour-export activity [though with not complete effectiveness].

It must be noted that the Marxist historical materialism assumes a hierarchy of determinations. Woods [1982:310] critiques the historical-structural approach by saying that "the crude economism that has tainted Marxist historiography is an evidence of the vulgar determinism inherent in the perspective". Still, the historical materialist lenses serve as a strong tool for analysing the processes of migration. Often, the lack of multiplier effects of migration is explained much more convincingly by this school than any other.

3.3 Analytical Framework and Methodology

In the introductory chapter we presented the research question as the study of a process - the process of institutionalization of migration. The premise was that much of the work on the subject has been driven by narrowly defined

concerns aimed towards learning from the experiences of labour-exporting countries and trying those solutions in newer contexts. Such an approach has missed on several counts. An overview of work on the process of institutionalization [Gonzalez, 1998, Mackenzie, 2005] suggests that it can be unpacked into three components- beginning with the question of who leads the process - the 'Actor question', to what instruments are available to the Actor - the 'Instrument question' and finally the question of the feasibility [political, social and economic] of the instruments in the given context - the 'Context question'. The theoretical approaches outlined in the previous half of the chapter help us identify the debates surrounding each of these questions. They have been discussed in detail in this section and then summarised in the form of an analytical framework. It is important to state at this juncture that the discussion is new and has been limited to the liberal school. Thus, it is difficult to state the position of the critical school on the question of institutionalization of migration as not much has been written about it. What we do in the analytical framework is to extrapolate based on the understanding that the critical school poses on the nature of the state [i.e. class character of the state] and its policies.

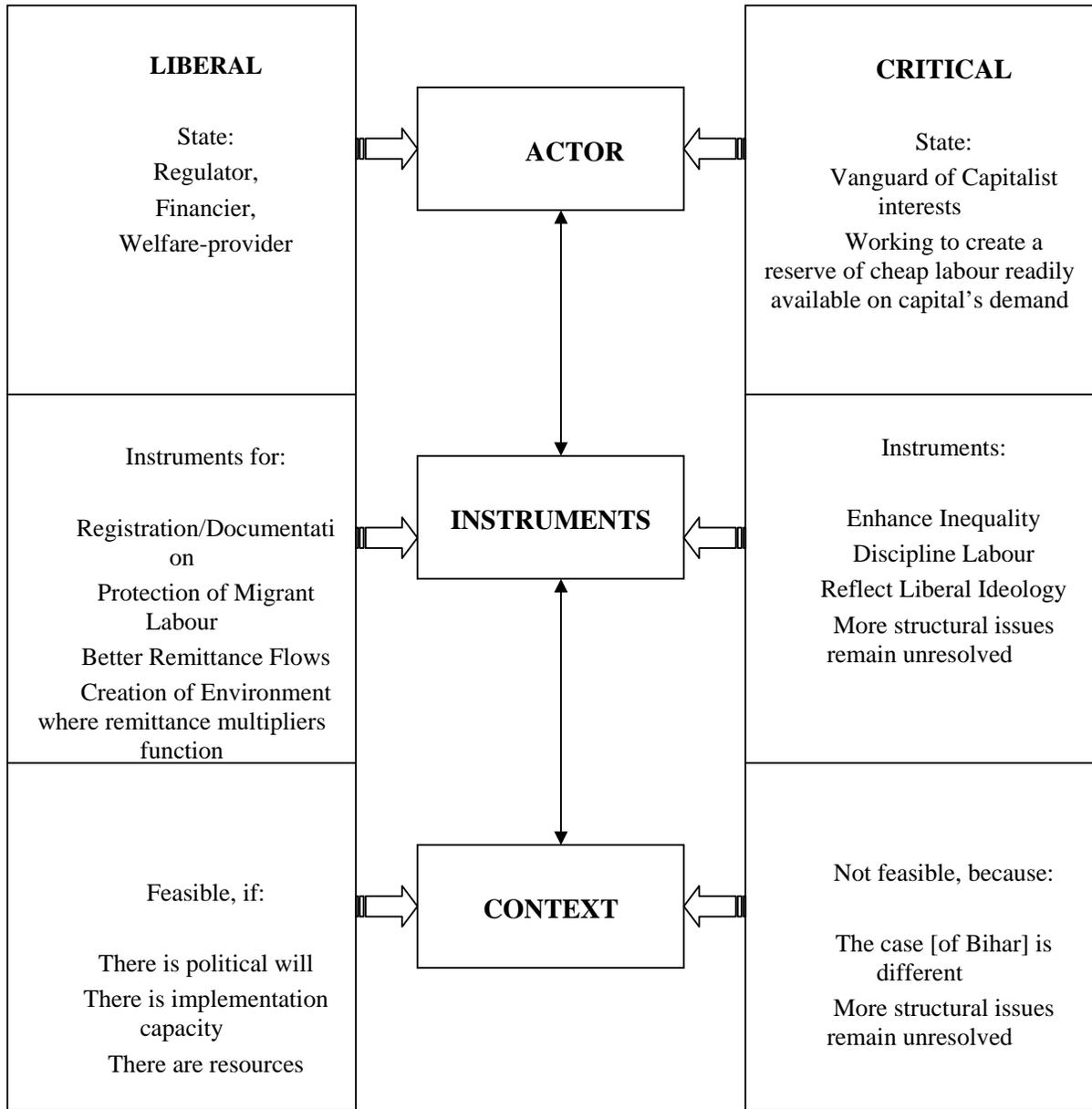
The first sub-question deals with key ownership of the exercise - who would take the responsibility for systematising the process and what kind of incentives lie for them to do so? Can the state be the leading agent? And does it have the necessary wherewithal [too] to be an effective migration manager. Till recent, the cases of international migration show that the state in labour-sending countries have more or less adopted a laissez-faire attitude [with few significant exceptions such as Philippines]; looking the other way while remittances flow in. There is rising enthusiasm over state participation but that too is ridden with numerous debates - whether the state should lead the process or it should be left to the market, or the state should work in tandem with the market and try to correct the market failures through dedicated migration institutions. The critical school with a greater materialist orientation [such as Magdoff and Magdoff, cited in Mukherjee, 2005], however, are critical of any efforts towards institutionalization and especially look at the state-intervention as an effort to create a reserve army of labour to cater to the needs of capital.

If the state was to intervene, what are the policy instruments available to make migration management happen and what returns do they have? This forms the second sub-question for the study of the institutionalization process. There are several regions with as much or greater dependence on migration income as Bihar. For instance, Kerala in India receives quarter of its state GDP from migration to middle-eastern countries. The case of Philippines is also well-known for which migration income is critical. These regions have made attempts to enhance the benefit from migration using variety of policy instruments- right from providing the appropriate infrastructure to taking concerted steps for the protection and welfare of migrants. It is important to note that the gains from such exercises, however, are not unambiguous. While some have been ineffective in achieving the desired objective, such as the Kerala economy which was unable to capture the multiplier effects of the boom in the construction sector brought in through Diaspora income [Saith,

1991], others have led to completely unintended consequences of making the migrant populations vulnerable to trafficking [Siracusa and Acacio, 2004]; some instruments have also been found to raise inequality among migrant and non-migrant population. In such a case, the school of liberal thought would hint at the issue of incapacity of the state and inefficacy of policy instruments. They would argue that as much of the movement of people and the remittances happen out of the formal channel the state has little or no control on the phenomenon. However, the critical school would analyse the phenomenon as a choice made by the state where it chooses to intervene or not based on interests of productive forces guiding it and skilfully hides behind the argument of non-manageability of migration. The structuralists would also argue that manoeuvring around migration benefits is similar to the neo-liberal prescriptions driven by incrementalism and has left more vital issues unresolved [Castles, 2004]. As per them the policy instruments need to be more embedded in the context and they first need to address the structural basis of inequality and high rates of migration such as skewed land distribution.

This leads us to our last [presumably most important] sub-question - what is the political and economic feasibility of these policy instruments in the given context? From the viewpoint of sustainability, it is important for the benefits of migration to feed into the economy. While the neo-classical economists would suggest equalisation in wages and living standards as a result of migration [between sending and receiving regions] there is poor evidence on the ground. A review of migration literature from Bihar also suggests that the evidence of positive impact of migration [and how it creates multiplier effect in the local economy] is sparse and inconclusive, except for some contributions from Rodgers et al. [2001] which speaks of local enterprise development and rise in real wages on farms. Still, the wage differences between Bihar and some of the developed states are far from converging [ibid.]. What are the constraints to capital accumulation from migration at the local level would have to be explored. Further, for a state as poor as Bihar, institutionalization of migration would be a costly proposition. Given that the migrants are largely unskilled/ low-skilled working at the bottom of the economy the state cannot treat them as clients and charge them for state services. In this case the entire migration management exercise would end up becoming a cost centre to the state. The liberal school would address the issue by advocating for greater political will, higher implementation capacity and lobbying for more resources. The critical school would, however, highlight Bihar's position in the national production system [supplier of 'cheap labour' available in plenty and dispensable at wish] and the interests that have been sustained by that status. In terms of feasibility, it would argue that the policy instruments would not be effective in case of Bihar as they do not take the complexity of the context into consideration. Bihar has had a reputation of extremely poor governance for long and it would be close to impossible for the government to break away from its dismal past records and invest in migration management. The foregoing discussion is summarised in the form of an analytical framework below.

Figure 1: Analytical Framework



Note: In this framework, the process of institutionalization of migration has been deconstructed into three levels - the Actor, the Instruments and the Context. They serve as the three levels of analysis. The key debates around each of them have been collated under two key theoretical positions - i.e. liberal versus the critical school which are used as the modes of analysis. The position of the two schools at each level of analysis is shown in the framework.

3.4 Research Methods

In this research, a mix of primary and secondary research methods were employed. The primary research techniques involved expert's interviews. Some interviews were done face-to-face while others were done using the telephonic and electronic medium based on the availability of the person. The secondary data was collected using data collected using newspaper articles and research done by several migration research centres in India and international bodies such as DFID, IOM, World Bank etc. For the present chapter i.e. Chapter 3, the study drew from the theoretical literature available on migration-growth nexus, and several empirical studies done on impact of remittances on growth in sending communities. For Chapter 4 and 5, I relied on case studies done on migration management efforts by different agencies in India and other countries. For chapter 6 the abundant literature available on Bihar's economy and polity and the nature of migration from Bihar helps. Chapter 6 also makes use of expert's interviews.

CHAPTER 4

The Actor Question

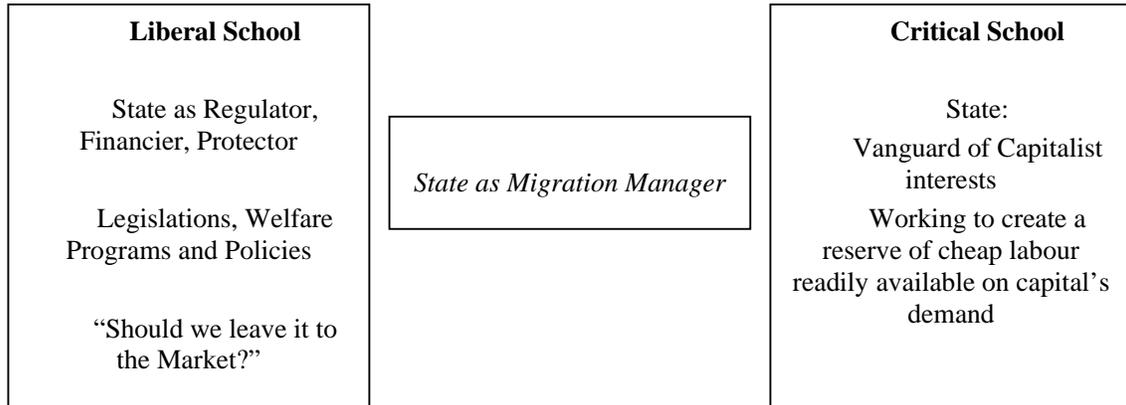
If management of migration was to become an important strategy for fuelling economic growth, the imminent question would be about the key ownership of the exercise. Who would be the primary driver of the process? Of late, the state has been playing an important role by subsidizing the movement of migrants, working for their protection, attracting higher remittances through reward and recognition of migrants, and instituting matching grants for development programmes [Gonzalez, 1998; Taylor, 2004]. Lavenex [2007] refers to it as the rise of the ‘competition state’ in the labour-exporting countries where the states concerted work towards gaining from the process of emigration.

It is important to note, however, that before the state take-over of migration, the phenomenon was largely driven through private enterprise. Even now, parallel to the state efforts, exist a large number of private actors in the form of non-government organisations working for the social security and rights of migrant labour or private recruitment or remittance transfer agencies [eg. Western Union, Money pal] and not to forget the industries, which ultimately employ the labour at the destination. Evidence shows that though the state has been increasingly subsuming the activities that lay in private domain it fails to address the tasks effectively [Siracusa and Acacio, 2004]. Recently, migration enthusiasts have been offering alternate prescriptions such as compact between the state and the NGOs, the state and the private industries and at times between all the relevant stakeholders [Gonzalez, 1998; Mackenzie, 2005]. However, what remains a puzzle is - when should the state intervene and when should it back-track and let other actors take charge?

In this chapter, we focus on the state as the key actor and its limitations, the main reason being that in the limited literature available on the subject more attention has gone to the state as migration manager.⁷ We use the framework outlined in the preceding Chapter to analyse the role of the state.

⁷ It is important to mention here that most of the discussion has taken place in the field of international migration and there is almost no literature available on state as migration manager for internal migration. Thus, the discussion available here would be based largely on extrapolation from the international experiences.

Figure 2: State as Migration Manager



4.1 State as Migration Manager

What makes the state as a unique option for managing migration? The first argument in favour of the state is that it gives greater credence to the exercise and enhances the scope of impact. State protection of migrants is the state's comparative advantage over private migrant exporting schemes. While an NGO intervention would face the limitation of scale, a private intervention may be limited to a certain sector [for example SEAM in India is limited to the textile sector⁸] state-led schemes could be more expansive and larger in impact. The second but more important a reason is that the state can only bridge the gap between migration and growth by providing the right kind of policy environment and setting of appropriate institutions [discussed in next chapter].

If one were to ask what incentives lie for the state to intervene in the process, there is again number of reasons. More often state involvement is demanded on the grounds of welfare - to protect the rights of its migrant labour. It is seen as the responsibility of the state to ensure safety of its workers abroad. There are several examples of this such as the OWWA of Philippines, India's repatriation of its citizens working in Gulf [Saith, 1991]. Be it the case of Flor Contemplacion⁹ [Gonzalez, 1998] of Philippines or the attacks on Bihari migrants in Mumbai or the north-east, it is often the violation of human rights of migrants which bring the state to action. In India the violent attacks on Bihari migrants prompted reaction from Bihar government and led to creation of *Apravasi Mazdoor Durghatna Yojana* [Migrant Labour

⁸ SEAM - Project SEAM is part of an initiative named SPRING (Skills Program for Inclusive Growth). The objective of this program is to meet the skill requirements of the apparel industry and to create gainful employment opportunities for rural BPL families in apparel industry. It works through public-private partnership.

⁹ The case is well known in Filipino migration when a Filipina domestic helper by the name Flor Contemplacion working in Singapore was hanged for the murder of a fellow Filipino and her Singaporean ward. This incident is known to have changed the strategic direction of Philippine labour migration policy making it more sensitive to welfare needs of the emigrants [Gonzalez, 1998].

Accident Program]. However, there are evidences on use of migration for varying reasons for example to maintain political and economic viability in case of Spain [1956-73] and Philippines [post 1974] [Siracusa and Acacio, 2004]. Migration, in these cases, was used by the leaders at important junctures in their political agendas of national unity and economic prosperity [Goss and Lindquist, 1995]. In case of internal migration in India, it is the welfare angle that comes out most pronounced than other reasons [Deshingkar, 2006].

On an implementation level, however, state's leadership of the exercise is not devoid of problems. A labour-exporting state often finds it embarrassing to recognise that it sends economic migrants. Take for example India, if Bihar government were to declare itself a labour-exporter, it would be seen as a clear acceptance that the government has failed to provide for livelihoods for its citizens [personal communication, Ashwani, 2008]¹⁰. To combat this, one of the common disclaimers of the state has been to assume the role of a regulator saying that they are only guiding a natural process. Siracusa and Acacio [2004:339] give the example of Philippines where the state depicts its role to be merely regulatory, "when in reality it is state-initiated and remains state-processed and supported in its entirety".

4.1.1 State as Migration Manager - Experiences

A review of models of state intervention in migration at the origin helps us identify the following four major trends. They can also be looked as levels of institutionalization of migration with the state in focus¹¹:

- Non-intervention: Not intervene, just eat the fruits of remittances
- Tacit Intervention: Provide infrastructural support -special trains, special schemes for Diaspora in Banks
- Social-Protection: Provide social security -identity cards, communication, protection fund, grievance redressal /special agency at destination, repatriation etc.
- Active Intervention: Provide active training, credit, placement services, safeguarding adherence to minimum labour standards in receiving regions, remittance transfer, repatriation etc. -Philippines

In several places the state has chosen the option of non-intervention. This refers to the occurrence of irregular migration without any support from the government from any kind - migrants use their own resources - personal, community-links etc. This is the most dominant form of migration especially when it comes to internal seasonal migration of labour for work. High-skilled migration of IT workers from India could also fall in this category. The second

¹⁰ Personal Communication Ashwani, Senior Program Officer, IL&FS, Bihar, 1st July, 2008

¹¹ The reader would note that the four levels are not mutually exclusive. We do not intend to box state activities but the categorisation is only an attempt to get a neater picture of state interventions for better understanding.

level could be termed ‘tacit intervention’ where the state starts to provide infrastructural support as the intensity of migration rises and demands are made. Examples are special transport or higher frequency of transport between the source and destination areas. Another model or level of state intervention can be categorised as ‘social protection’ where it comes in to ensure the safety and welfare of its migrant labour through various means such as registration, creation of welfare fund, help in repatriation in need etc. Often this model is known to emerge either in case of major crisis [such as the Gulf crisis of 1992 for India] or persistence by labour right groups, NGOs and migration scholars. The Spain and Philippines models are, however, known for how the state-sponsored programs organize, finance, deploy, capture the remittances of and then repatriate global workers. We term it as ‘Active intervention’ where the state is completely in charge of the management of the entire process starting from the recruitment of workers, to their employment and final repatriation. This category is equalised to ‘competition state’ where a large number of labour-surplus regions/countries actively promote the export of migrant workers [Lavenex, 2007].

There have been high economic returns from state-sponsored migration. For example, through state bureaucracy and organization of hundreds of private recruitment agencies, Philippines’s overseas Employment Program has become a multi-billion-dollar industry. There is agreement on the idea that it was the business of labour migration that has kept the country’s economy afloat, especially during the Asian financial crisis in 1997. Siracusa and Acacio [2004] note that Spain’s economic expansion during the IMF-promoted stabilization and Liberalisation plan of 1959 rested heavily on export of labour [other than tourism and foreign capital investment]. Spanish emigration changed from being seen as a drain on the economy to a “state-promoted remedy and a powerful source of beneficial economic links and social relations among people” [Siracusa and Acacio, 2004:320]. The creation of the IEE had an important effect on Spain’s national development. Scholars such as Carr and Azpurua, 1979 [cited on Siracusa and Acacio, 2004] opine that it was the state-sponsored emigration with the help of which Spain successfully manoeuvred itself into the international political arena through its international labour agreements, providing vital labour to the continuing development of European economies. State’s presence established labour export as an acceptable mechanism for national and individual [migrant] economic development [Siracusa and Acacio, 2004].

The outcome, however, has not been promising on all fronts. For example, Siracusa and Acacio [2004] argue that in the construction of a legitimate migrant-exporting model, the state can open new spaces for illicit migration to operate. With an intention of seeking remittances from its commodified labour, states ban and eventually co-opt the operations of the migration merchants for their own purpose. In case of Spain the phenomenon of human smuggling arose just as the state attempted either to co-opt or to eradicate the private business operations of *juntas* [migration brokers] for its own purposes [ibid]. Aggressive marketing measures without substantial means of regulating the industry have given way to the unintended consequence of illicit migration and vulnerable migrants [Gonzalez, 1998]. The negative aspects

of labour migration, however, have been rationalised on the basis that labour migration is a temporary but necessary phenomenon during the course of economic transformation.

4.2 Theoretical Dilemmas

4.2.1 *Liberal School*

The inability of the state to effectively manage the process of migration is diagnosed as the consequence of the falling sovereignty of the state in times of economic globalization. Castles [2004:4] for example states that state control of cross-border movements of people appears as a “vestige of sovereignty at a time when liberalised markets erode the power of the state to regulate corporations, manage labour markets and maintain welfare states”.

4.2.2 *Critical School*

The critical school comes heavily down on the state organisation of labour-export. According to them it is a part of the re-commodification of labour where the state is playing a leading role. The benefits accruing from migration are seen to be distributed unevenly, with much greater gains being made by those employing immigrants than by those selling labour. As per this school, historically, laws and Acts concerning labour originated to ensure regular and disciplined workforce to the modern sectors of production - mines, plantations and factories. This was done to ensure that wavering commitment of workers migrating from the traditional agricultural sector to these sectors does not create recurring shortages of labour and irregular production [Mukherjee, 2005]. Critics such as Petras [cited in Jones and Findlay, 1998:93] have gone to the extent of saying that contemporary labour migration is just “the most recent phase of labour exploitation in a long history that has included African slave trade, the Indian coolie system and more recently the Pacific Asian trade in sex workers”. Jones and Findlay [1998] look at the regional migration system of East Asia for the period of 1980s from a similar perspective. The authors contend that while regional inequalities in labour market circumstances will always exist because of underlying economic and demographic systems, what demands attention is how these inequalities are structured and how labour migration is manipulated by employers, states and migrants to serve very different ends.¹²

¹² It is also interesting to consider the criticism of the post-modern school which takes a more radical stand. Rudnycky [2004] points out how the strategies to protect rights of migrants may bring about greater state intervention in their lives. The author uses Foucault’s concept of “governmentality” to study the processes of trans-national migration under the state auspices from Indonesia and contends that it is more important is to look at the “technologies” that make it possible - the techniques to produce servile domestic workers and then ensure their proper training, and delivery to overseas sites.

4.3 Should labour migration be left to the market?

There are live discussions on whether migration should be left entirely on the market where the labour demand and supply forces would result in an optimal level of migration, while the state just assumes a regulatory role. It needs to be noted that before the advent of state as a migration manager the field was largely dominated by private agents be it the 'migration merchants' of Spain or the private recruitment agencies of Philippines. Even today, the private actors play a significant role in shaping the labour flows across regions. For example, the remittances transfer agencies such as the Western Union which are a crucial peg in the global migration infrastructure not to forget the industries which are the sites of demand for labour. Literature, however, has been unsighted to their role. Goss and Lindquist [1995: 324] aptly remark - "the employer and complex networks of recruitment agencies that link it with migrants are remarkable in their absence in most accounts of international labour migration". In reality, they are important agents who not only provide employment opportunities that motivate migration but may directly recruit workers and exert indirect control over recruitment by setting qualifications for employment [ibid].

With the state failures at migration management the argument of market being the best determinant is again gaining force. In recent years, the Philippines state has proposed full deregulation of the overseas employment program to the market. But, scholars find this unrealistic and problematic as such an action would de-legitimize the program and state-reliance on it, as full deregulation would preclude any potential for protection [Gonzalez, 1998]. Plus, state's economic interest would override the imperative to give away the program fully to the market. On a more theoretical level, the notion that free market forces will achieve an optimum distribution of resources has profound political implications. Greenwood [cited in Woods, 1982] argues that such a stance implies that state should neither encourage nor discourage migration. In view of the utilization of migrants as a source of cheap labour, which is exploited in the interest of dominant classes in both the source and the destination, the theoretical underpinnings of this policy stance can be regarded as "ideological justifications for preserving the status quo" [ibid:305].

In view of the empirical realities, states have been trying a more integrative approach lately. The example of Philippines is illustrative. After a few years of trying to manage the entire migration exercise [marketing, recruitment, placement and processing of OCWs] alone the Philippines government went onto reinstate the private players and stepped back to don a regulatory role. Siracusa and Acacio [2004] tell us how by 1980, the state had dissociated itself from direct recruitment activities altogether. By reinstating the private sector in recruitment activities, the state benefited in two ways - one, it increased its market share in overseas labour contracts, two, the state codified who was a valid player in a market and by reinstating the private sector in recruitment, the state obtained a diffuse sense of control and thus responsibility over the OCW [ibid]. The public-private partnership has, however, been difficult to monitor. Gonzalez [1998] notes that in Philippines one reason for the proliferation of

illegal recruiters was the inability of the state to regulate the private sector, even the segment that operates with state-issued licenses.

4.3. Contextualizing the Debate - the ‘Actor’ Question for Bihar

In India, the efforts for facilitation of internal migration have been limited to the Non-governmental sector - on an ad hoc basis through the private sector and on welfare basis through the third sector. The state passed an Act called Inter-State Workmen (Regulation of Employment and Conditions of Service) Act 1979 but it has been non-functional since the beginning. The private sector in need of labour has been active for long facilitating the process of recruitment, travel of migrants, transfer of their remittances etc., and the non-profit sector has ventured in recently i.e. in the last few years to reduce the vulnerability of migrants. This change has been indicative of the shift in thinking about migration from a malaise to an opportunity. The third sector, however, suffers a serious limitation in terms of the scale of its impact. There are a few sporadic attempts such as Aajeevika Bureau in South Rajasthan and Migrant Labour Support Programme in Gujarat, but they are quite small and in absence of a viable revenue-model often suffer funding problems. Baliga [personal communication, 2008¹³] offered that the NGO sector has the role of demonstrating viable migration management models which the state can take-over and replicate.

The case of Bihar, however, is different. The NGO sector suffers from rampant corruption and has serious credibility issues. Kumar [2007] notes that in the last ten years the number of NGOs registered in Bihar have outnumbered the other states. For example, as per estimates presently there are more than thirty thousand NGOs in Bihar out of which at least 10,000 NGOs exist only on paper. The more or less absence of an effective civil society puts the state in the driving seat by default.

In the recent past the state government has taken steps for the protection of the migrants by way of the Migrant Labour Accident Program, Migrant Labour Insurance Program. It has also deployed special personnel in the major destination area New Delhi. Interview with some experts revealed that they saw implementation capacity and resources as the major impediment. Some also expressed scepticism about the willingness of the state to engage in this task. Breman [personal communication, 2008¹⁴] who has worked on migration and the informal sector for around half a decade retorted by saying that - “when the state doesn’t care about its labourers at home, why should it care for the migrant labourers?”. Kishore [personal communication, 2008¹⁵] offered serious doubts on the capacity within the state to deliver on the task which

¹³ Based on an interview with Sugandhi Baliga, Sir Dorabji Tata Trust, 5th September, 2008

¹⁴ Personal communication with Jan Breman, June 20th, 2008 Amsterdam School for Social Science Research

¹⁵ Personal communication with Avinash Kishore, PhD. Student, J.F. Kennedy School of Government, Harvard University, 15th June, 2008

required great managerial ingenuity. In his view, the non-functional state apparatus which has come to work in the last 2 years is already over-stretched and the migration management exercise, the benefits of which are still unknown, may be nothing but a burden on the state.

4.4 Conclusion

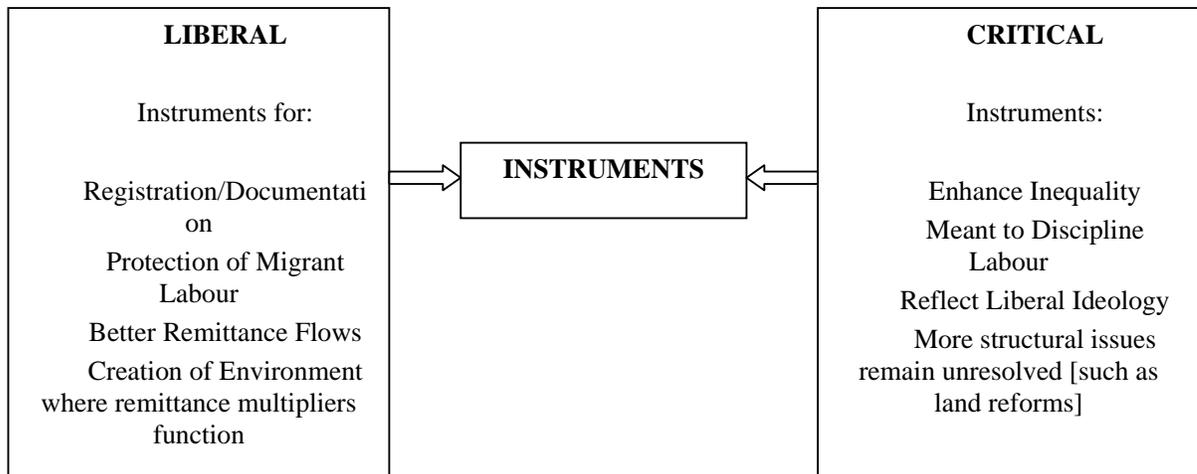
The investigation at the level of 'Actor' was meant to understand whether the state which is lately the most influential player is well-suited to address the unique requirements of this task. The experience of labour-exporting countries offers a good insight into the evolution of thinking on the 'Actor' question – how it has moved from largely market driven to state-capture of private provisioning to public-private partnerships in migration management. Policy-makers, however, are still clueless on how to develop effective implementing machinery. In the case of Bihar, where talks on institutionalization of migration have just begun there is serious concern over the capacity of the state to be able to deliver.

CHAPTER 5

The Instrument Question

Instances of concerted internal migration management are rare. In most places it happens on an informal basis dominated by private actors who intervene on the front of recruitment, transportation and more often in remittance transfer. State policies, till now, have been geared to deter migration through movement restrictions [China], creation of employment in the source regions by setting up of industries¹⁶, dispersal of industries [India], land reforms etc [Bose, 1983]. Developing policies to benefit from the process of internal migration has not been on the agenda of governments till recent. Most of the policies again have been directed towards tapping benefits from international migration, given the quantum of remittances. It is however recognized that the impact of internal remittances are no less [DFID, 2007] - they are sent more often and can account for a considerable proportion [up to 30 %] of the household incomes of poorer families. In absence of concerted efforts on internal migration management we turn to experiments done in international migration. In this chapter we glean over some of the policy instruments tried by labour-exporting governments and reflect on their effectiveness. We mainly draw from the experiences of Philippines with some references to Spain and Kerala, India.¹⁷ The two theoretical approaches 'the liberal school' and the 'critical school' remain our guide in the process of analysis.

FIGURE 3: Instruments



¹⁶ A notable aspect of state policies is that they were largely driven by the concern of population redistribution in reaction to the excessive crowding of big cities [Bose,1983].

¹⁷ Philippines is taken as a case to learn from not just because it is considered as the best model available for migration management from sending regions but also because of its similarities with the context of our study - high prevalence of migration and a complete absence of a production base in the source economy.

5.1 Typology of Migration Management Policies

"While the power to regulate migration rests primarily in the hands of labour-importing rather than labour-exporting countries, the experience in Asia over the past two decades suggests that sending countries do have policy options that can make a difference in shaping migration patterns and outcomes"

- Abella, 1992: 46

Baruah [2005] identifies two themes of importance in migration management for governments- one, regarding the protection of migrant workers and two, optimizing benefits of organized labour migration. Optimizing benefits from organised migration can be further divided into remittance management and long-term strategic interventions such as creating a good education infrastructure.

5.1.1. Protection, Welfare and Support Services

One of the foremost demands made on the state with regard to migrants has been in terms of ensuring security of migrants and protecting their rights in foreign land. This has involved interventions on a variety of fronts, such as -

- Registration and maintenance of data-base of migrants
- Creation of a Welfare Protection fund such as the OWWA in case of Philippines [Agunias and Ruiz, 2007]
- Licensing and supervision of recruitment agencies [Mackenzie, 2005]
- Ensuring adherence to minimum standards of employment especially adherence to minimum wages [Gonzalez, 1998;Mackenzie, 2005]
- Subsidizing the needs of migrants such as advance money for travel as in the case of *Instituto Espanol de Emigracion* of Spain [Siracusa and Aca-cio, 2004] etc.

Registration and maintenance of data-base has been one of the key and primary tasks that labour-exporting governments have engaged in [Mackenzie, 2005]. A prima facie mechanism to monitor movement and gauge the intensity of migration, it has worked as one of the key tools to protect the welfare of migrants in times of crisis [Gonzalez, 1998]. The pre-established system of passport control serves as the principal mode of this exercise in international migration. In case of internal migration, however, provision of identity cards ratified by local governments has come up as a recent alternative.¹⁸ Critics, however, have questioned the utility of registration and issuance of identity

¹⁸ Two pioneer NGO efforts such as the Migrant labour Support Program and Aajeevika have found this particular activity as most successful in their migrant support programs. In a country without a national identity proof except for a passport, which majority of Indians do not possess, these identity cards meant for a vulnerable section of migrant population works as a necessary safety device. It also helps in creating a data-base of informal sector workers which can be readily utilized by employers.

cards. There is limited evidence for when and how the state makes any use of the data-base that it creates on migrants¹⁹ [with a positive exception of Philippines]. Some critics have also pointed at its possible iniquitous impacts. Saith²⁰ [personal communication, 2008], for example, pointed out that a system of giving identity cards ratified from the source state governments might send the message that only the migrant who possesses an identity card is to be trusted. This would end up having a deleterious impact on the ones not possessing it. Saith [personal communication, 2008] equalized it to creation of pass-ports to move in ones' own country.

Among other major activities of the state agencies has been ensuring the safety and well-being of its migrants. This has involved creation of welfare protection fund and regulations and mechanisms for protection of vulnerable workers through special categories such as the 'vulnerable worker category' in Philippines which is meant for female domestic helpers and entertainers [Mackenzie, 2005; Gonzalez, 1998]. The OWWA fund for migrant workers in Philippines – a government operated welfare fund which is financed by migrants and their employers is considered as one of the shining examples of institutionalizing protection of migrants. Agunias and Ruiz [2007] in their assessment of the OWWA remark that the fund ensures protection of migrants through a mechanism for repatriation, provision of insurance and loans and education and training.

Despite these steps the state machinery has often been found wanting in protection of migrants' interests. The case of Flor Contemplacion is one of the several cases which highlight the vulnerability faced by migrant workers. The high magnitude of migrant outflow emanating from these regions is said to be the biggest challenge for government authorities. Further, in many cases the state representatives have been found ill-equipped to address the intricacies and complications that migrant welfare protection abroad demands [Gonzalez, 1998]. Siracusa and Acacio [2004] give several instances in case of Philippines and Spain where the state has actually ended up promoting body trafficking by institutionalizing migration but failing to supervise it effectively. In absence of an effective policy to protect migrants from abuse Philippines has turned to 'selective deployment' i.e. deployment of only skilled workers with the rationale that having certain skills is the best protection for workers.

The next set of state activities can be clubbed under what we can call remittance management. Remittances, as we mentioned earlier, have emerged as one of the most important means of finance in developing countries and thus have come up ways to manage it better.

¹⁹ Personal communication with Jan Breman, June 20th, 2008 Amsterdam School for Social Science Research

²⁰ Personal communication with Ashwani Saith, Professor, Institute for Social Studies, June, 6th, 2008 henceforth personal communication, 2008

5.1.2. Remittance Management

“International migration can easily become a substitute for sound development policies. The good news is that after international migration takes-off, it can increasingly benefit the poor. The bad news is that without the right economic environment, international migration can turn sending areas into “nurseries and nursing homes” instead of dynamic opportunities that over time can offer economic alternatives to migrating...”
- Taylor, 2006: 13

One of the important differences between internal and international migration is the size of remittances. Possibly, it is also one of the reasons which make international migration more popular among academicians and policy-makers. Nevertheless, the fact that internal migration is more common and pervasive in the third world makes it an opportunity with large untapped potential [Ratha, 2004; DFID, 2007]. Much of the remittance receiving countries suffer from lack of a good remittance transfer systems – “the sending of money by migrants to their families and communities is made difficult and costly by weak financial infrastructure, poor payments systems, a lack of financial institutions, weak accountability and a weak regulatory environment.” DFID [2007:15]. This is one of the reasons for heavy reliance of migrants on the informal channels to transfer money. However, this keeps a large part of remittance money out of the reach of the state auspices supposedly reducing the potential impact it can have on growth. The premise is that cheap, safe banking and investment services can encourage rural migrants to invest in their home community and support rural development through the purchase of land, equipment and labour. DFID [2007] research found that in China where 98 million rural residents migrated and carried home US\$45 billion experienced an increase of 8.5% in one year with rural banking infrastructure.

Another significant issue faced by the labour-exporting governments is how to convert remittances into productive investments. A number of countries are experimenting with schemes to leverage as much remittances from their emigrants and also to try to make remittances more productive at home. The Philippines, for example, has a closely managed migration plan to ensure that migrants spend more at home [Howley, 2003]. Visa card schemes, advantageous exchange rates, as well as tax-free investment plans and duty free shopping are sponsored by government programmes to ensure that none of the Filipino migrant earnings are lost to rich economies. Migrants are also celebrated at their own national holiday, in which awards are handed out to the migrant workers who have sent back the most. The instruments for better remittance management can be summarised below-

- Reducing remittance transaction costs through cheap, safe banking services
- Leveraging remittances to improve welfare and stimulate investments in migration-source areas
- Increasing the contribution to development by creating an environment where remittance multipliers can flourish

Empirical evidence has been inconsistent with the equilibrating tendencies of labour migration and its developmental benefits. More or less, all labour-exporting governments have found it difficult to use remittances in a way that it triggers productive capacity at home except for the popular exception of Spain which was able to convert its earnings from labour-export into development of industries at home. Siracusa and Acacio [2004] show how a supply of cheap labour with the existence of low tax rates attracted foreign capital to Spain turning the migratory period of 1960s into a period of industrialization in tandem. The rest, such as Kerala, Philippines, Mexico have lagged behind in creating sufficient remittance multipliers.²¹ For example, Kerala faces a problem of converting its high rate of savings into productive investment and employment [Kannan and Hari, 2002]. Saith [1991] showed that despite the boom in the construction sector, the Kerala economy failed to capitalise on the boom and money flew out of the state. The state level public sector enterprises have also failed to attract any funds because of low efficiency and poor credibility. The Philippines, which is considered as the model for labour-exporting governments, also continues to be an ailing economy. Studies such as Saith [2001] show that growth in Philippines remains highly vulnerable because of low levels of domestic savings and excessive dependence on external funds to meet the trade and current account balance.

5.1.3. Skill upgrading and Long-term Investments

In order to maintain their competitive advantage and gain more from the existing export of labour, governments have found it important to invest in the grooming and skill-building of its labour power. Improving quality has emerged as the key to maximizing the individual and social returns on education and training, as it is expected to increase the employability of the labour force both in domestic and foreign labour markets, and help to ensure optimal use of scarce resources [Tan, 2005]. Unni and Rani [2003] identify lack of marketable skills as one of the major insecurities faced by informal sector workers in India. Some scholars have also found this to be more effective a ground for state intervention than the state attempts to manage remittances [O’Laughlin, PC, 2008²²].

Several labour-exporting countries have engaged in temporary skill-training with help of NGOs and private agencies in order to prepare their labour force for jobs abroad. A longer terms strategy involves creating the right kind of educational infrastructure which helps the country by producing competitive labour power which can compete in the international arena.

²¹ It is intriguing why The Philippines with much more concerted efforts has not been able to leverage migration benefits the way it was done by Spain in the 1950s. Literature does not pay much attention to this puzzle which might be very crucial for developing better policies for institutionalization of migration. If one were to address it, the unique placement of Spain in world economy at that period in time could emerge as an explanation. However, it requires much rigorous analysis. This goes beyond the scope of this paper and we leave it as a future research question.

²² Personal communication with Bridget O’Laughlin, Institute of Social Studies, 13th June, 2008

Kannan and Hari [2002] identify that in case of Kerala the main problem faced by migrants is the inability to compete with expatriates from other South and South Asian countries. For them, the solution lies in equipping the workers with better general education and job training - "In the long-run, the need is to restructure the whole educational system in the state taking into consideration the future demand for workers not only in Kerala but also in the potential destination countries all over the world" [ibid: 123].

5.2 Critical Variables Unattended

The primary argument of the pro-institutionalization scholars is the inevitability of migration, to which they add by saying that it makes greater sense to gain from a phenomenon one has not been able to curtail. Policy development around institutionalization of migration draws from this thinking to a great extent. The critical school, however, questions this primary assumption of inevitability of migration. Woods [1982], for example, points out that "the explanation of migration advanced by 'equilibrium theory' consistently runs counter to the fact that many backward economies throughout history have not spontaneously exported labour and that, when labour has been needed, it has had to be coerced out of them" [Portes, 1978 and Soares, 1976 cited in Woods, 1982: 302]. Different scholars have found the trigger or the forces driving migration lying at different levels - driven by the mode of production and its changes at the international level or modes of production within an economy which force people to migrate.

An interesting analysis by Ghosh [2000] shows how important policy trends in migration went in tandem with the status of the economy of the first world and its labour requirements. For example, in the post second world war reconstruction period when there was an acute labour shortage in the industrial states, notably in Western Europe, there were calls for liberalizing movement of labour. The attitude, however, changed and migration ceased to be a desirable objective with the first oil crisis on the 1970s with recessionary trends and rising unemployment. From then onwards, reducing the need for migration continued to be a major objective. Policies aimed at doing so, however, had only limited success, irregular migration grew posing new challenges of management. The richer countries used a wide variety of protective measures in the form of border control, internal law enforcement through most stringent employer and carrier sanctions and punitive measures against trafficking. None of this, however, had the desired impact on the magnitude of migration on the other hand the challenges grew in the form of irregular migration to the black economies of these countries which capitalised on the cheap labour from the poorer regions. Then came the discourse on managing migration. The rationale for managing migration thrived on having a "comprehensive, coherent, and internationally harmonized regime" which would ensure "greater orderliness and predictability in the movement of people", serving and balancing the interests of the sending and receiving countries and the migrants alike [Ghosh, 2000]. Regrettably, these historical processes, which have a profound impact on the availability of migrant labour, and which affect the direction of migration flows, lie beyond the concerns of the orthodox liberal perspective. It wont be an exaggeration to say that in

effect the liberal school holds constant the very factors that are the objects of inquiry in the historical-structural or critical view.

Breman [2007] points out that labour recruitment is not particularistic in nature. Employers have a clear preference for outside rather than local labour. The movements of migrants to work is part of a strategy to keep down the costs of production, and is based on the simple conviction that outsiders are more obedient and easier to discipline than local employers.

More often than not, it becomes important to understand what is driving migration from a certain region. Often, it is the skewed distribution of resources such as land which push poor migrants out of the rural areas. In case of India, it has been found to be particularly true. Connell et al [1979] find that migration was intimately connected to the distribution of land between households. Thus, efforts should be directed to the analysis of the tenurial and social system that determines its distribution. In case of Philippines, Gonzalez [1998] points out that there were many short-term and long-term political economy concerns underpinning the labour exodus within the economy-income inequality, peace and order, infrastructure development, operationalization of genuine land reforms etc. Such analyses, however, have never been a part of designing policy measures in migration. This is said to be the primary reason why public policy has been ineffective in addressing migration management problems as it doesn't address the heart of the problem which lies in inequitable resource distribution rather than quick-fixes such as making better use of remittances.

5.3 Contextualizing the Debate: The Question of Instrument for Bihar

In case of Bihar, the first few measures taken by the state involve creation of a Migrant Labour Protection Fund and insurance for migrant workers; all from the viewpoint of protection of migrants. There are also talks of improving the technical training institutes the ITIs [Indian Technical Institutes] for providing vocational training to migrant workers so that the returns from migration are higher, but those are in a nascent stage. Lately, however, the policy measure for creating employment at home by way of NREGA i.e. National Rural Employment Guarantee Scheme in Bihar has brought an interesting dimension to management of migration and has set policy-makers thinking. It was found that due to NREGA under which the state guarantees 100 days of employment to needing households migration of labourers from Bihar to Punjab/Haryana dropped [Pankaj, 2006]. This lends greater credence to Rodgers [1983] observation who found that in some parts of north Bihar which sends large number of migrants the problem lay more with depressed wages than lack of employment. There are evidences in support of this from several quarters. For example, Islam and Gautam [2008] found that in eastern India there was significant fallowing of land. Apart from the high diesel prices a significant reason was the unwillingness of labour to work on low wages which translated into labour shortage on fields. Under NREGA availability of employment at competitive rates was successful in reducing the number of migrants significantly, thus directing towards structural issues in the economy. This hints

towards the fact that there is a need for a much more innovative approach to managing migration from Bihar, which can start from differentiating ‘push’ migration from ‘pull’ and addressing them independently. We elaborate on this argument more in the next chapter.

5.4 Conclusion

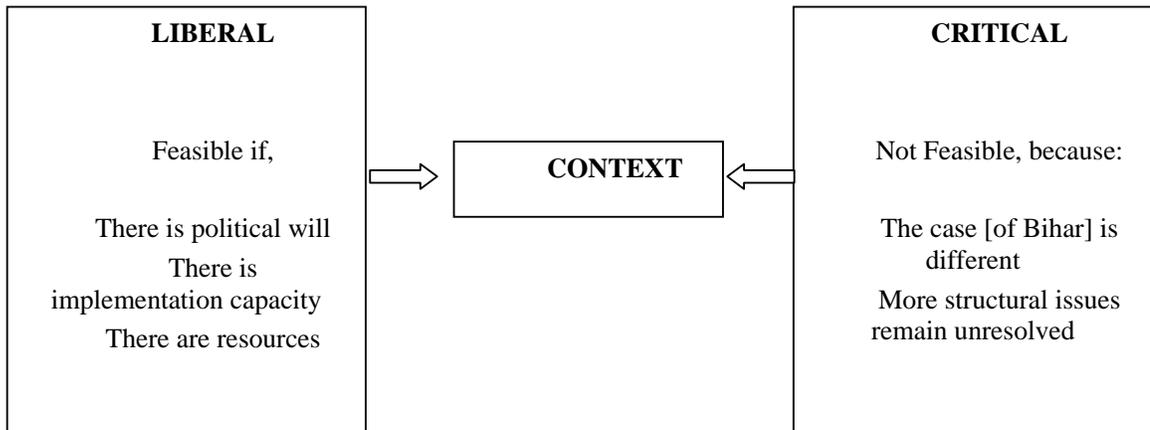
In this chapter we divided policy interventions on labour-export into three categories - protection and welfare, remittance management and skill enhancement which we put under long term strategies. There is a growing preference for the state to withdraw from micro-management and use strategies which make its tasks easier - one example is the case of ‘selective deployment’ in Philippines where skills were considered to be the best protection for workers. Other growing realization is that it may be more effective for the state to invest in the educational and provide the right infrastructure to make the migrants more attractive for foreign markets rather than try and capture remittances, which anyway has been a difficult terrain.

CHAPTER 6

The Context

Having reflected on the instruments and their effectiveness in managing migration we move to the last leg of our analysis. It is termed as ‘the context’ question where we try and ground the debates on institutionalization of migration in the context of Bihar. The contention here is whether a certain set of instruments that are popularly being used by labour-exporting governments are feasible in case of Bihar. While the liberal school sees inability to institutionalise migration as a function of political will, implementation capacity and lack of resources, the critical school argues that the specificities of Bihar such as its semi-feudal relations of production and its unique position in the national production system make it an unfit case for any efforts at institutionalization of migration, more so when it comes to converting it into a process that would stir economic growth.

Figure 4: Context



6.1 Centrality of Migration in Bihar’s Economy

Bihar has a history of migration dating back to 1830. Different British policies such as carrying indentured labour to their colonies and systematic weakening of Bihar industries [through stifling regulations and low tariffs on British imports] led to emigration from Bihar to places as far as South-east Asia and Africa. With time, the industries of Calcutta, green revolution fields of Punjab and Haryana and lately the dynamic cities of Mumbai and Delhi have come to attract migrants from Bihar. With the highest net interstate migration [at the rate of 3.1 million per annum] migration enjoys special recognition in terms of the number of trains that ply to the major destinations and their names such as *Shramjeevi* [labour livelihood] express, *Shramshakti* [labour power]. Several informal networks exist for channelling labour to employers, communicating with migrant’s family members and remitting money back home. It would not

be an exaggeration to say that migration is more than a way of life for Bihar, deeply embedded in its culture²³ [De Haan, 2000].

In a recent report prepared for the World Bank, Deshingkar [2006] shows that Bihari population has become increasingly mobile. Karan [2001] finds that during the last two decades not only the absolute number of out-migrants has increased but also the rate of out-migration has doubled. In terms of impact, many migrants from the OBC category have also become upwardly mobile, graduating from farm work to work in a variety of industries where earnings are higher. They have also become more spatially diversified. As a result, Deshingkar [2006] notes, migrants from Bihar have now spread to destinations all over India in a way that was not evident a decade ago. Among other benefits, migrants have brought back skills and in some cases have been able to establish remunerative businesses. However, the impact has been limited due to absence of proper infrastructure and marketing links [Rodgers et al, 2002]. It has been an issue of debate, however, whether Bihar has benefited significantly from migration or not. The fact that migration reduces pressure on land and job opportunities is seen as one of the major contributions by Sharma [personal communication, 2008²⁴] but there are reservations against the extent of this impact too [Bremar, personal communication, 2008].

Last year as a result of attacks on Bihari migrants, the state government of Bihar took some steps such as creation of a data-base of migrant workers, creation of an insurance scheme and an accident protection fund etc. Though the emphasis was on creating better social security mechanisms, one of the greater migration enthusiasts from Bihar government pitched migration as a possible source of economic growth for Bihar. N. K. Singh [2008], the head of the planning board of Bihar, recently urged for the need for a social and political compact between the states of origin and states of destination for Bihari migrants - “there is a need for imaginative arrangements with large corporate organizations and mainstreaming corporate needs into national migration planning. For instance, training migrants in Bihar to prepare them for industries elsewhere would help reduce cost and improve productivity.” Singh, however, is not alone in his arguments. There is a larger support for this idea as per which institutionalization could serve as a new-age solution for responding to the challenges of greater migrant flow especially in view of the rapid growth in the economy and the high flux associated with it. For example, Rodgers et al. [2001], who have been working on Bihar migration for more than two decades, point out –

“The potential for sustained growth (through migration) is certainly present. But the existing institutions, both state and social institutions in the village are clearly inadequate. It is necessary to think how the state could take advantage of this

²³ The contribution of poets such as Bhikari Thakur and folk songs are some illustrations - in which the leaving of men and its consequences - positive [pots of gold] and negative [men's concubines and women having children from other men] are central [De Haan, 2000].

²⁴ Personal communication A. N. Sharma, Institute of Human Development, 11th July, 2008 henceforth personal communication, 2008

opportunity for growth by providing incentives, the institutions and the public investment in infrastructure which can convert this potential to reality.”

Rodgers et al, 2001: 1983

Given the fact that the interventions made by Bihar government are fairly recent, no evaluative statement can be attempted at this juncture. However, certain scholars [Sharma, personal communication, 2008; Kishore, 2008] who have spent considerable time studying the economy and polity of Bihar point out that migration management from Bihar would depend on the amount of political will it enjoys. Bihar has been sending migrants since long but only after the violent attacks has the government come to acknowledge the vulnerability of migrants. Plus, the reactions have been sporadic and have also had a history of dying down in absence of serious labour rights violations. The overall silence [and apathy] of the state government till recently raises serious doubts on the longevity of the proposal. Further, the government has had a poor record of administering development programs which raises serious doubts over its implementation capacity. And finally the fact that large amount of migration from Bihar is of unskilled labour fetching little remittances any such effort from the state government would be a huge cost centre for its already limited resources. Sharma [personal communication, 2008] for example pointed out that the migration happening from Bihar is of a large magnitude and state cannot micro-manage such a large phenomenon. It can only don a facilitating or regulatory role. These apprehensions, though valid, ignore some of the structural impediments that the effort might face. We cover them in the following sub-section.

6.2 Migration from Bihar - Some Structural Issues

6.2.1 Place of Bihar in the National Economy

If the Kosi area [and much of North Bihar] provides anything to economic growth in India, it seems increasingly to be labour. - Rodgers, 1983: 35

During the interview, Ashwani from the SEAM program of IL&FS in Bihar pointed out that the greatest factor that works against Bihar is its reputation of supplying ‘dirt cheap’ labour to the whole of India. It, thus, might be in the favour of the national economy to maintain the status quo so that the supply of cheap labour is ensured without fail.

Bihar has been the main supplier of labour to the green revolution fields of Punjab, Haryana and western Uttar Pradesh. This arrangement of intensive agricultural activity in Punjab, Haryana and supply of labour from Bihar, however, has had limited impact on Bihar. There are authors such as Rodgers [2000], who claim that rising migration has triggered economic activity in parts of Bihar and economic growth in western India was making its way to Bihar. On an aggregate level, though, the effect is far from visible. The range of per capita income in Bihar of INR 5,466 to Punjab’s INR 25,048, tells the tale of India’s unequal economic growth where the economic activity from the core benefits from drawing cheap labour power from the periphery [Guruswamy,2004].

Lately, there is an increasing tendency in India, as in the world, for greater casualisation, informalization and contractualisation of labour. This way there is less need to employ labour on a regular basis and under regulated conditions. Das [2000] shows that in recent years, the rate of growth of formal employment has not been able to keep pace with the rate of GDP growth in Indian economy. In the era of de-regulation and liberalization, when the GDP has been growing at rates between 6 to 8 per cent, the rate of growth of employment has not exceeded 2.5 per cent [with salaried employment actually registering a decline]. Das [2000] interprets this as more [and more] production being carried out in the informal sector and more workers being forced to seek 'jobs' distinct from 'employment' in a sector where hours of work are long, returns on labour are low and living conditions are abysmal - "In that respect, post-industrialism both borrows from and mimics pre-industrialism" [ibid]. Under this new mode of production, huge demand for labour has come from the metropolitan or large cities and Bihar has again acted as a reserve pool of cheap labour to service it often in appalling conditions.

Some authors have gone to the extent of terming the backwardness of Bihar as a result of its 'economic strangulation' [Guruswamy, 2004] - a systematic neglect by the central government over the years. One example was the unfair system of freight equalisation policy followed after independence which destroyed Bihar's huge competitive advantage of holding minerals. As per this system a factory could be set up anywhere in India and the transportation of minerals was subsidised by the central government. Further, the discriminatory nature of public investments is another example - as opposed to an All-India per capita developmental expenditure [from 2000 to 2002] of INR 6748.50, Bihar's is less than half at INR 3206.00. Results of this differential treatment reflect in the abysmally low investments in the state. For example, Bihar's per capita spending on roads is INR 44.60, which is just 38% of the national average [ibid].

It is important to note that an analysis of the global or national modes of production and its impact on structuring migrant flows, however, precludes reflection on local factors that may sometimes be playing more important a role. Bihar and whole of eastern India, characterized by low agricultural productivity and general backwardness, has been at the heart of intense debates on agrarian structure and rural poverty in India for long. Interestingly, three types of diagnoses have been offered for the problem - the agro-ecology (the region is susceptible to high frequency floods), agrarian structure (typically related to unequal land ownership) and finally the gradualist public policy in the region - euphemistically called floods, feudals and the Fabians [Jones cited in Mukherji, 2004]. In the next sub-section we see how the local structural limitations have played an even more significant role than the national.

6.2.2 *Floods, Feudals and Fabians*

“Migration, much of it seasonal, to Punjab, Assam and major urban centres, provides a low wage, unorganised labour force in areas of destination, while relieving the pressures on jobs and incomes in the areas of origin - and no doubt thereby assisting in the survival of semi-feudal production relations in Bihar.”

- Rodgers, 2001:1978

A standard introduction to Bihar is characterised by a description of the highly skewed ownership of land and other assets, high caste dominance and oligarchies controlling the state apparatus and its resources. The permanent settlement²⁵ system of revenue collection which has attracted tremendous scholarly attention from authors on Bihar is said to have produced an extremely exploitative agrarian structure in the countryside of Bihar which led to large scale alienation of the peasants from their lands [Sharma, 2005]. The existence of a semi-feudal agrarian structure was not only exploitative but also operated as a drain on the development of agriculture in Bihar - “even some spurts of agricultural development in the 1980s have been subdued because of absence of an effective transformation of the existing power structures” [Sharma, 2005:961]. In absence of the transformation, corruption and crime have risen as the fastest modes of accumulation [Das, 1992]. In such decrepit state of affairs, the critical school would argue that the basic infrastructure to be able to benefit from migration is missing in Bihar. Further, as we discussed in chapter 4, state capacity is a serious obstacle.

Sharma [2005] posits that there have been two kinds of response to the exploitative semi-feudal agrarian structure in Bihar from the peasants and poor agricultural labourers - violent movements [militancy] to challenge the existing structures of power and migration. Migration as a response has been gaining precedence over the years. Sharma [2005] shows how formerly distress migration was largely a phenomenon of north Bihar that does not have a strong tradition of peasant movements. Of late, however, even south Bihar with a long history of peasant movements has joined in probably because militancy in the absence of growth in agricultural and non-farm employment opportunities has proved futile in the region.

A number of anthropological accounts of migration have shown how migrants especially from the lower class and castes migrate as it offered a good opportunity of a respectable life away from the feudal suppression at home. It is seen as their strategy to move up in the social hierarchy. Connell et al [1976] call it ‘system avoidance’ migration where the social position of the migrant in the village vis-à-vis other social groups affect the decision to migrate. In an

²⁵ A kind of rent collection arrangement during the British period, wherein Zamindars were made the intermediaries for collection of land revenue/rent from peasants and in turn they paid a fixed amount of land revenue to the state. The right of land was vested in the landlords but the actual cultivators were given no protection. In such a situation, the landlords usually extracted exorbitant amount of rents leaving the cultivators with bare subsistence and no money to invest in land improvement or improving living conditions.

interview, the labour commissioner of Bihar also emphasized the social reasons behind much more than the economic ones.

Based on a small case study of villages in the Kosi region of Bihar, Rodgers [1983] found that the basic problem was not lack of employment [in a normal agricultural year average employment levels were pretty high] but depressed wages. Wage-fixing was mainly controlled by few larger households, acting as wage leaders for the village as a whole, or for particular segments of the village labour market. The interests of these landlords, taken together with efficiency considerations, patronage, and traditional institutions generated powerful forces under-lying wage-fixing, forces which are often underestimated in the design of a government policy.²⁶ The contention of the author is that the operation of this system as a whole has to be understood if effective policies to manage migration from the region are to be designed. The next section looks at some possibilities for a better policy design for migration from Bihar. However, it is important to state here that this research does not aim to prescribe policies at this juncture. The trigger for the research came from the efforts at institutionalisation of migration and it aims to highlight the pit-falls that such a blanket approach can have if the process of institutionalisation, the unique demands it can make and the context was not understood well. However, we do want to outline some of the prospective paths that can be taken and need to be thought about while designing policies.

6.3 Designing Policies for Managing Migration from Bihar

While the structural view on migration from Bihar is insightful and effective in pointing at the lacunae in policies which can be simplistic in nature, the limitation with this view is that it is highly deterministic in nature. Plus, such an account of migration ignores the fact that not all seasonal migration is out of destitution. On the contrary, the very poor section is not the one contributing to the large migrant pool from Bihar [de Haan, 2002]. Connell et al [1976] point out that the poorest often cannot afford to migrate as they lack the necessary material means to invest in leaving. While landlessness and feudalistic relations of production might be an important factor driving migration they are not the only ones. A large part of migration that happens from Bihar is not 'push' but one taken to escape poverty. De Haan [2002:130] rightly says - "migration is often a strategy to escape proletarianization rather than a reaction to it". In light of these evidences, it becomes important to understand what kinds of migrant streams emanate from the state of Bihar and design policies accordingly. The liberal school which has been the key force behind institutionalization of migration ignores the fact that not all migrants have the

²⁶ In case of villages in south Gujarat, Breman [2007] finds similar evidence. The landowners actually encourage exodus by making it clear that they do not need their employees all the time. They want to be free of the pressure of repeated requests for an 'advance' from workers for whom they do not have sufficient work. Breman concludes that seasonal migration was not the cause of changes in the pattern of agrarian employment but a consequence.

same capacity to respond to policy signals. Rural migrants from Bihar are not a homogenous group and the nature and pattern of migration varies from one to another social group of migrants [Karan, 2001]. For instance, generally it is people from both ends of class/caste hierarchy that migrate but for different purposes. The upper caste/class migrates to capitalise on better economic prospects while migrants from the lower end migrate for want of employment. It is important to unbundle the types of migration from Bihar and design policies accordingly. The NREGA programme we discussed earlier lends a useful direction to policy making for managing migration from Bihar. The initial success of this employment programme sends the message that a significant part of migration from Bihar does occur due to lack of remunerative employment and could be categorised as 'push' migration. The programme was quite effective in deterring forced economic movement reducing excessive burden on urban systems and giving a decent work to the poor at home. It may be more effective to create employment at home for such category of migrants. This, however, does not undermine the need for creating better social security systems for those who are migrating. The drive to institutionalize migration would have to target a different segment of migrants which migrates for high remuneration jobs. In sum, the policies would have to be multi-pronged with intelligent targeting of different segments of the population.

Further, at a broader level, policies would need to address some of the structural causes of underdevelopment-one of them being lack of sufficient public investment in agriculture. Much is written about the great potential that Bihar agriculture holds with its abundant groundwater resources and appropriate climate for high-value and diversified agriculture [Sharma, 2005; Kishore, 2004; Mukherji, 2004]. A premature leap-frogging from an underdeveloped agriculture to the other sectors [which cannot gainfully employ the millions coming out of the rural areas] ignores the fact that wealth creation in the agriculture sector is vital to the creation of a base for a healthy economy. The Bihar development report, which is still in a draft stage, identifies the rich natural resource capital of Bihar and rightly puts an emphasis on developing agriculture on a priority basis.

6.4 Conclusion

This chapter looks into the feasibility of the policy instruments for institutionalisation of migration in the context of Bihar, India. We find that the arguments provided by the critical school gain precedence over the liberal in the context of Bihar. Bihar has been fuelling economic growth across India by providing cheap labour to all sites of production but has not benefited from the same. Plus, its own semi-feudalistic relations of production at home make it a case of failed development. Under these conditions, the multiplier benefits of migration are difficult to take root. The author suggests a multi-pronged strategy for managing migration and emphasizes on the need to address the structural limitations of the local economy.

CHAPTER 7

Conclusion

The standard liberal argument is that, if labour was allowed to move freely it would be the best way to ease the inequities that have prevailed across the world. The empirical evidence, however, does not go in accordance. How does one justify the growing inequities across Indian states despite free border movement? Why hasn't Bihar benefited much even after years of migration? Why isn't the impact visible in the living standards of migrants? This paper began with a study of "institutionalization of migration" which is indicative of the growing credence of the liberal world view. A case of internal seasonal migration from Bihar was taken to conceptualise and analyse the process of institutionalization with a focus at three levels - the Actor, the policy instruments available to the actor and the feasibility of those instruments in a given context. This paper illustrates that the efforts at institutionalization of migration need to take the context into account and look deeper at the prevailing systems of production. In certain contexts, creating policies for better migration management may not go far unless the structural limitations are addressed adequately.

The first question dealt with the Actor dilemma i.e. who plays the leading role in the process of institutionalization. The key debate revolved around the state versus private players as migration managers. In the existing discourse there has been a greater emphasis on the state as an actor. State has been playing an important role by subsidizing the movement of migrants, working for their protection, attracting higher remittances through reward and recognition of migrants, and instituting matching grants for development programmes. Its unique capacity to provide credence and large scale coverage to the exercise lends it greater credibility as a migration manager. Further, state protection of migrants is the state's comparative advantage over private migrant exporting schemes. There are, however, reservations on whether the state is well-suited to address the unique requirements of this task. Especially, the capacity of the state to monitor and ascertain accountability from private actors has been a serious concern. The experience of labour-exporting countries offers a good insight into the evolution on the 'Actor' question – how the thinking has moved from a largely market driven arrangement to state-capture of private provisioning to public-private partnerships in migration management. Policy practitioners, however, are far from devising a workable compact between all the relevant actors. What remains as a puzzle is - when should the state intervene and when should it back-track and let other actors take charge? In the context of Bihar, the capacity of the state to implement such a program is seen as the most serious impediment by experts.

The second level of analysis involved reflection over the policy instruments. State intervention on the front of migration was categorised into protection and welfare of migrants, remittance management and long term strategic interventions such as educational infrastructure for skill enhancement of migrants. The instruments used till now, however, have been far from effective. There is a growing preference among labour-exporting governments

to withdraw from micro-management and engage in exclusive tasks where it enjoys unique strengths. For example, it is increasingly acknowledged that it is more effective for the state to invest in education and provide the right infrastructure to make the migrants more attractive for foreign markets rather than try and capture remittances, which anyway has been a difficult terrain. The case of Bihar showed that there is need for a mix of policy instruments which cater to different categories of migrants based on the reasons behind migration. This can start from differentiating 'push' migration from 'pull' and addressing them independently. The successful example of NREGA opened new directions for policy-making for migration.

Finally, the third level of analysis dealt with the feasibility of the exercise and applicability of the popular policy instruments in the context of Bihar. A study of the context revealed that the specificities of Bihar such as its semi-feudal relations of production and its unique position in the national production system make it an unfit case for any efforts at institutionalization of migration, more so when it comes to converting it into a process that would stir economic growth. There is much to consider before steps towards migration management for economic growth are taken in Bihar. The paper suggested a multi-pronged approach where the requirements of different sections of migrants are addressed differently. Further, the paper also indicated a need for greater public investment in agriculture as a starting point.

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