

# Internal Migration on Economic Inequality

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## **ABSTRACT:**

The low wage in the agricultural sector and the obvious under pay has prompted unskilled labourers to migrate to areas where they could come out of poverty which in itself is a distress signal. Even though there is a linear relationship between economic developments and migration, the economic exploitation of these unskilled and semi-skilled labourers is not measured quantitatively. The exploitation of the migrants by not paying the minimum wage becomes a hindrance in catering their basic needs as well as achieving their dream of economic prosperity. This in turn increases the burden on the government as they have to undertake new social support, unemployment and healthcare schemes. The low pay and substandard lifestyle prompt the migrants.

**KEYWORDS:** Challenges. Impact, Economic Inequality and Policies

## **INTRODUCTION**

Migration is the third component of population change, the other two being mortality and fertility. However, migration is different from the other two processes, namely, mortality and fertility in the sense that it is not a biological factor like the other two, which operate in a biological framework, though influenced by social, cultural and economic factors. Migration is influenced by the wishes of persons involved. Usually, each migratory movement is deliberately made, though in exceptional cases this may not hold true. Thus, migration is a response of human organisms to economic, social and demographic forces in the environment. Internal migration in India has seen substantial growth, with the number of internal migrants rising from 309 million in 2011 to 450 million in 2021. This 45% increase outpaced the country's population growth rate of 18% during the same period. Internal migrants now constitute 37% of India's population, up from 30% in 2001 (World Bank Blogs, 19). Rural to urban migration plays a complex role in shaping income inequality. It provides opportunities for individuals from rural areas to access better-paying jobs, improving their living standards and contributing to poverty reduction in rural areas through remittances. However, this migration often exacerbates income inequality, as the benefits are unevenly distributed. Migrants frequently face challenges in securing stable, well-paying jobs, leading to wealth concentration in urban areas while rural regions lag behind.

## **OBJECTIVES OF THE PAPER**

1. Challenges migration on economic inequality:
2. Policies Review of Support for Internal Migrants
3. Impact of International Migration on Economic Inequality

## **METHODOLOGY**

A study has been carried out by internal migration on economic inequality and the research methodology

in Social Science research and collection the secondary data are drawn classified from the Govt. Publications of books, monthly journals, Magazines, Annual reports, internet websites on internal migration on economic inequality and apart from this, different edition of daily newspapers, were also used for the purpose of collection the information.

### **CHALLENGES MIGRATION ON ECONOMIC INEQUALITY:**

1. **Low Wages and Poor Working Conditions:** Migrants who move from rural to urban areas often encounter low wages and poor working conditions. Many works in the informal sector, where jobs are unstable, and workers lack legal protections, social security, and benefits. Migrants frequently live in overcrowded and unhygienic conditions with limited access to essential services like healthcare and education. This disparity between the living standards of migrants and established urban residents exacerbates income inequality, as migrants struggle to improve their economic situation due to persistent challenges.
2. **Regional Inequality Exacerbation:** Internal migration tends to concentrate wealth and economic activity in already developed urban centers, while rural regions in states like Bihar, Uttar Pradesh, and Odisha lag behind.
3. **Income Disparities between Migrants and Residents:** While migrants may earn more than in their home villages, they frequently face low wages, insecure jobs, and poor working conditions in the informal urban sector. This creates a high-inequality environment where migrants live in slums (e.g., Dharavi) without access to basic services.
4. **The Remittance Paradox:** Remittances are "life blood" for rural households, reducing poverty and improving living standards (e.g., in Kerala). However, wealthier rural households often receive more remittances than the poorest, which can worsen intra-rural income inequality.
5. **Horizontal Inequalities:** Migration often reproduces pre-existing inequalities, as lower-caste and marginalized communities are disproportionately represented in seasonal/distress migration, facing exploitation and lower economic gains compared to higher-caste migrants.

### **IMPACT OF INTERNATIONAL MIGRATION ON ECONOMIC INEQUALITY**

At the country level, inequality has two effects on the rate of migration. First, all else equal, there is a mechanical effect, in which higher inequality for a given mean income result in more poor people, which can then lower migration rates if the poor cannot afford to migrate. Second, to the extent that inequality reflects differences in the returns to skills in the country, more unequal countries with higher returns to skill will see relatively less migration of wealthy, skilled people, and relatively more of poor and intermediate wealth people, provided they can afford to migrate. Migration and inequality are both multidimensional concepts that have been studied over the years and theoretical formulations have been made to better understand these phenomena. Migration is founded on various theoretical dispensations that describe the patterns, motivations, choices and outcomes of human mobility. Inequality on the other hand is a concept that has been associated with human welfare as economic development occurs, therefore focusing on how resources are shared and distributed within and between societies. Few studies have theorized the direct link between migration and inequality.

International migration impacts economic inequality in both sending and receiving regions. Migrants often leave their home countries for better economic opportunities, leading to substantial remittance flows that influence poverty and development in sending regions. Remittances are crucial for reducing poverty and

supporting economic development by providing financial support for essential needs and stimulating local economies. However, the distribution of remittances is often uneven, with urban and wealthier households receiving a larger share compared to rural or poorer regions. High transfer costs and dependence on informal remittance channels further limit the net benefits for recipient families.

## **POLICIES REVIEW OF SUPPORT FOR INTERNAL MIGRANTS**

Several policies aim to support internal migrants and address their challenges. The Pradhan Mantri Awas Yojana (PMAY) and Affordable Rental Housing Complexes (ARHCs) seek to provide affordable housing options close to workplaces. The Pradhan Mantri Kaushal Vikas Yojana (PMKVY)-offers skill development programs to enhance employability. However, these policies often face implementation issues due to lack of awareness, bureaucratic hurdles, and insufficient coverage. Effective policies must be more inclusive, ensuring better access to education, healthcare, and social security for migrants, alongside legal protections against exploitation. India has implemented several policies to address international migration. The migrate Online system enhances the emigration process by integrating stakeholders into a transparent and efficient electronic platform. The Pravasi Bharatiya Bima Yojana (PBBY) offers mandatory insurance for overseas workers, covering work-related travel, death, or disability, while the Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY) provides pension, life insurance, and support for return and resettlement. Despite these initiatives, challenges in labour rights and social security for unorganized workers persist. The 2016 SAARC Plan of Action aims to improve labour migration management and worker safety in South-Asia, though issues in human rights and worker protection remain, highlighting the need for better governance in both origin and destination countries.

## **CONCLUSION**

Migration influences economic inequality by offering opportunities but also deepening disparities. Both internal and international migration provide benefits such as poverty reduction and economic growth, but challenges like uneven remittance distribution and inadequate labour protections persist. Effective policies are essential to address these issues, ensuring equitable support for all migrants and fostering sustainable economic development. Addressing implementation challenges and enhancing support for migrants will be key to achieving SDG 10 and reducing economic inequality in India

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