

Effects of Domestic Migration in India

Prelims – Economic and Social Development.

Mains – GS III| Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment | Inclusive growth and issues arising from it.

Why in news?

A research report recently released by the State Bank of India (SBI) highlighted that Migration of labor from low-income states resulting in inflation in high income States in the South such as Kerala and Tamil Nadu.

- **Labor Migration and Inflation** – Labor migration from low-income to high-income states is contributing to higher inflation in southern states like Kerala and Tamil Nadu.
- This migration is linked to employment opportunities and increased purchasing power.

Purchasing power refers to the value of a currency or income in terms of the goods and services that can be purchased with it, meaning the ability to buy goods and services.

- **Regional Inflation Variations** – Southern and Eastern regions show higher inflation trends.
- Northeast and Western regions have the lowest inflation rates.
- Post-pandemic (FY21 to FY25), inflation indicates the following:
 - **Northeast** – 3.4% decline.
 - **Southern region** – Only 2.6% decline.
- **Labor Migration and Economic Dynamics** – Workers moving from low-income to high-income states create unique economic ripple effects including:
 - Enhanced purchasing power in destination states.
 - Increased demand for goods and services.
 - Potential upward pressure on local prices.
- **Rural-Urban Inflation Divide** – Rural inflation is higher than urban inflation and the reasons for it include:
 - Higher food prices.
 - Rural food basket weight is 54.2% (compared to 36.3% in urban areas).
- **Fiscal Policy and Inflation** – The report suggests that higher taxes levied by Southern states on items like petrol/diesel, liquor, and property registration contribute to inflationary pressures.
- The high sales tax collection in southern states, indicates that state level fiscal policy has a large impact on regional inflation.

Initiatives for India's Migrant Workforce

eShram Portal - One Stop Solution

- **Aim** - To create a National Database of Unorganized Workers (NDUW), verified with Aadhaar.
- **Launched by** - Ministry of Labor and Employment on August 2021.

PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)

- **Launched on** - June 1, 2020.
- **Aim** - To provide collateral-free working capital loans to street vendors.

Pradhan Mantri Shram Yogi Maan-Dhan Yojana (PMSYM)

- **Launched by** - The Ministry of Labor and Employment on February 2019.
- **Aim** - To provide a minimum assured pension to workers in the unorganized sector, including migrant workers, upon reaching the age of 60.
- **Beneficiaries** - Workers earning less than Rs 15,000 per month and offers a monthly pension of Rs 3,000 after they turn 60, ensuring financial security for their future.

Ayushman Bharat Pradhan Mantri Jan Arogya

- **Launched on** - September 2018 by Prime Minister Narendra Modi.
- **Aim** - To achieve Universal Health Coverage (UHC) by providing health coverage to India's most vulnerable.
- **Coverage** - Over 12 crore families (nearly 55 crore individuals).
- **Amount** - Provides Rs.5 lakh health coverage for secondary and tertiary health benefits to those migrant workers who are covered as eligible beneficiaries as per deprivation and occupation criteria.
- **Geographical Treatment coverage** - The scheme's portability feature allows beneficiaries to avail treatment at any empaneled hospital across India, regardless of their home state.

Pradhan Mantri Garib Kalyan Yojana (PMGKY)

- **Aim** - To Provide free food grains and direct cash transfers to families below the poverty line, including migrant workers.

Reference

1. [The Hindu | Migration of Labor](#)
2. [PIB | Empowering India's Migrant Workforce](#)