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Reverse Migration: An Opportunity To Transform Rural Areas

Several states have already started working on schemes to utilize the returned work force and create win-win situation for both sides.



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The Covid19 crisis showed the world several unprecedented phenomena. The world coming to a standstill, sharp dip in pollution levels and wildlife claiming urban spaces are some of the spectacular things which we could not have imagined if not for the pandemic. Besides few others, the exodus of the migratory workers from the major cities of India was one of the most noticeable incidents that happened during this period. Not only this mass migration presented a humanitarian crisis in front of the country, but if left unattended it will have far-reaching consequences for the entire economy.

The reverse migration impacted almost all the sectors of the economy however the infrastructure sector has been most severely affected one due to its labour-intensive nature. The already slowing infrastructure sector is now feared to enter a phase of stagnation. Delay in the delivery of projects, locked capital, longer gestation periods and higher sunk costs will be some of the negative impacts of the exodus. In the fear of all these factors, an aura of uncertainty has already started looming over the infrastructure sector. This will lead to lesser investments in the sector, especially the real estate segment. The lower investments will cause delays in the delivery of the projects, thus creating a vicious cycle. In its report in April 2020, KPMG estimated 30% job losses in the India real estate industry due to the Covid19. The job losses in overall infrastructure sector will be colossal.

However, as the proverb goes, "every cloud has a silver lining", the Covid19 catastrophe might not be totally bad for the infrastructure sector as a whole. The loss of the Tier 1 cities might be the gain of Tier 2 and Tier 3 cities. The reverse migration will lead to the abundance of workforce in states like UP, Bihar, Jharkhand, MP etc. This abundance will ensure constant availability of cheap labour for the infrastructure projects in these states.

Central as well as state governments are planning to utilise this experienced and battled-hardened workforce for infrastructure projects in smaller cities. The union government has launched schemes like National employment scheme to ensure the rehabilitation of the migrant workers. State governments are doing skill mapping exercises to ensure the best possible utilisation of their returning work force.

Several states have already started working on schemes to utilize the returned work force and create win-win situation for both sides. Depending on the type of manpower and their expected period of stay, states are devising long term, mid-term as well as short term strategies to employ them. States likes Odisha, Uttar Pradesh, Bihar, MP, Chhattisgarh and Jharkhand having huge rural economies are building their strategies around MGNREGA for rehabilitation of the migrant workers. Going one step further, Jharkhand is planning to launch the urban format of MGNREGA. In Uttar Pradesh the builders' association has come up with an initiative to absorb 2.5 lakh migrant workers in their projects. The Nilamber-Pitamber Jal Samridhi Yojana by the Jharkhand government is an ideal scheme to absorb large number of labourers to create water conservation & harvesting network at the same time.

Learning lesson from the UP builders' association other state industry organisations should come forward with similar initiatives. States should also encourage their respective business association to engage this abundant human resource. These encouragements could be in form of tax holidays, CSR benefits, preferential treatment in government projects and other incentives

The Centre and state governments are running several programs in order to engage the migrant workers in their home towns and villages; however the hardcore infrastructure work force should be employed in projects like rural road construction, waste treatment plants, irrigation infrastructure creation, sewage treatment plants, water bodies construction, sewer line digging, tree plantation etc to make best use of their abilities and experience. Another important positive that has come up from the reverse migration is the abundance of agricultural labour in the states like UP, Jharkhand, MP, Bihar, Chhattisgarh etc. If utilised properly this can lead to a boom in the agricultural productivity of these states.

It is tough to imagine the return of the entire workforce to the larger cities in foreseeable future. The government and industry need to join hands in order to turn this crisis into opportunity. The ideal situation would be to retain the entire or the major part of the workforce in their native places and stop them from migrating to the larger cities, however if that is not fully possible, authorities and corporate must work in synergy to prolong their stay for as long as possible. Not only this will help creating new and better infrastructure in smaller towns and rural areas, it will also help to ensure continued income to the workers, generate rural demand and thus help the GDP recover in due course.

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