Chapter 1

Introduction

1.1 Research Problem

Labour migration is a common phenomenon that has existed for several centuries. It refers to the movement of people from their place of origin to another place within a country or outside the country in search of gainful employment. Ravenstein (1885, 1889) was the earliest researcher, who discovered from U.S. Census data patterns of movement of people towards industrialized regions seeking employment. The political economy of labour migration was articulated with greater theoretical impetus by Marx (1976) through his conception of the inner dynamic of the capitalist mode of production, the law of capital accumulation. In the Marxian analysis, the process of capital accumulation simultaneously results in the spread of the capitalist modes of production and the incorporation of large numbers of people into production as wage labourers (Miles and Spoonley, 1985). Thus, the geographical concentration of the means of production causes urbanization of the proletariat due to large scale labour migration.

In the context of a large country like India, where the rate of capital accumulation varies from region to region, people from less developed regions move out of their native places in search of employment in more developed regions of the country. The influx of migrant labour in a developed region presupposes that there is the necessary demand for labour in such regions that has the capacity to absorb migrant labour into the labour market. This demand for labour is normally a combination of factors, which are specific to a particular region.

As a small prosperous State of the Union of India, Goa has been attracting a large number of migrants seeking employment and a better living standard. The paradigm of development that is driven by high rates capital accumulation in terms of growth in the Net State Domestic Product (NSDP) invariably generates a great demand for labour to sustain its growth. Native labour is unable to meet the demand for cheap casual labour as they have higher educational attainment and varied skills, which results in a higher wage rate. The acute demand for cheap casual labour is met by the incorporation of large numbers of migrant labour from backward districts of the country. One of the industries
that has benefited from and fuelled the high growth in the Goan economy has been the construction industry. The construction industry attracts migrant labour because it has the ability to absorb all types of workers, from those who are very highly educated and skilled in civil engineering to illiterate unskilled labourers. Migrant labour invariably forms a large proportion of the total labour force in the construction labour market, where they are predominantly working as casual labour.

Assuming the dual segmentation of the economy into agricultural and industrial sectors, the dual economy model of Arthur Lewis (1954) conceptualizes labour migration as inter-sectoral labour reallocation, where unemployed and under-employed labour force in the agricultural sector moves to the industrial sector as part of the process of development fuelled by economic growth and industrial expansion. Though this classical economic model ignores the third sector or the service sector, which is the fastest growing sector of the Goan economy, it is most likely that labour migrants entering into labour markets in Goa largely come from rural communities dependent on agriculture in backward regions of the country since over two-thirds of the population of India live in rural areas where agriculture-related occupations are the main source of livelihood for the majority of people.

When labour migrants move to urban areas, their primary concern is to get some employment. In his conceptualization of rural-urban migration, Fields (1975) enumerated the limited choices faced by labour migrants. In order to avoid open urban unemployment, they have to either apply for a formal sector job or join the urban informal sector. Formal sector, which accounts for only seven percent of the Indian labour force, is often a remote possibility for most labour migrants, as the qualification required includes professional education and vocational skills. The majority of labour migrants, who have low educational attainment and have no vocational skills, have little option but to join the urban informal sector.

Neoclassical theories on labour migration shifted their emphasis from the classical economic concerns of capital accumulation and economic growth to utility maximization and production efficiency. The "Push-Pull" theories highlighted the importance of individual choices in understanding economic processes. In this framework of analysis, labour migration is seen as an outcome of two counterbalancing forces, namely those factors that "push" migrants out of their places of origin and equally compelling factors that "pull" labour migrants to a place of destination. These theories
advocate that labour markets are governed by demand and supply forces. Differences in wage, income and unemployment rates were crucial variables that could explain labour migration from one region to another. The Harris-Todaro Model (Todaro, 1969; Harris and Todaro, 1970), the most popular neo-classical theory on labour migration, proposes that rural-urban labour migration is most likely to take place if the income at the place of origin is less than the income at the place of destination adjusted for the probability of finding an urban job. Noronha (1998) situates her study on construction workers in Goa in the neo-classical school. Her descriptive analysis of primary data of a hundred migrant workers reveals that differentials in wage, income and unemployment influence migration decisions of the migrant workers.

There are also micro-economic approaches in the neo-classical school of thought that considers labour migrants as individual rational actors, who decide to migrate after a cost-benefit calculation on the monetary net return from movement. Besides, labour migration is conceptualized as a form of investment in human capital (Massey et al., 1993). While these theoretical approaches explain the phenomenon of labour migration to a certain extent from a macro and micro levels, it is unable to explain several anomalies.

Labour migration is not merely an economic phenomenon, but it has social implications too. Theories in economic sociology try to bridge the economic and social divide in the understanding of labour migration. They propose that social networks play an important role in the flow of and functioning of migrant labour in a labour market (Massey et al., 1994). It is well documented in various studies on labour migrants that social networks do play an important role in their interactions in the labour market. Bremen (1978) refers to mukadams, who were in-charge of recruiting and supervising the work of migrant cane-cutters working for sugar factories in Bardoli, Gujarat. His study reveals that mukadams acted as a link between the factory and the migrant cane-cutters under them. Similarly, a research study on construction workers in Guwahati, Assam, found that kinship ties play an important role in gaining labour market information and entering the labour market with the help of labour contractors (Das, 2007). Other studies on migrant labour in the construction industry have also highlighted the important role that social networks of migrant labour play in the construction labour markets (Shivakumar et al., 1991)

Studies on migrant labour in the construction industry only make a mention about the existence of their networks of labour relations in the construction labour market.
However, there have not been studies on these networks that influence the labour market. The present thesis explores the social networks that exist among migrant labour in the construction industry in Goa, which is a prosperous small state on the western coast of India. It traces the social networks that influence migrant labour at different stages of their journey from their place of origin to the networks that help them function in the construction labour market. An analysis of the role of migrant self-employed workers strengthens this line of inquiry. The self-employed employers of migrant labour play a crucial role in providing cheap labour to construction companies on one hand and provide gainful employment to migrant labour that come from different poorer regions of the country on the other. This research also traces the roots of a group of migrants and explores the networks that exist between them at their places of origin to complete the picture.

1.2 Background

After Goa was granted statehood in 1987, it pursued economic policies that fuelled high economic growth. The Economic Survey 2010-11 reveals that the Net State Domestic Product (NSDP) increased sharply from 568.25 crores in 1990-91 to Rs. 7,694.43 crores in 2005-06. The rapid pace of economic growth in Goa from the 1990s has been the result of four major factors. First of all, there has been a significant increase in the development expenditure resulting in the implementation of several development projects. According to the Economic Survey 2010-11, capital expenditure increased from 157.79 crores in 1995-96 to 951 crores in 2007-2008. Secondly, rapid industrialization has resulted in a large increase in the number of factories as well as small scale industries. The index of Industrial Production (IIP) increased from 100 in 1993-94 to 481 in 2006-07. The third factor that has stimulated growth is the tourism sector. Goa has been promoted as a global tourist destination resulting in an increase in tourist arrivals from 11,26,130 in 1996 to 25,97,443 in 2007. Large inflows of domestic and foreign tourists have necessitated the building of necessary infrastructure to accommodate as well as to entertain them. Finally, the real estate boom experienced in Goa from the 1990s has been a result of large scale land conversion and change in land use pattern, which has made a lot of land available for real estate development. This has created a great demand in the real estate market in Goa.
Increased development activities, rapid industrialization, rise of the tourism industry and the real estate boom have given a big boost to the construction industry. The construction sector generates a great demand for unskilled as well as skilled labour in the labour market. Due to high levels of literacy in Goa, over 50 percent of the native labour force is employed with regular wage and there has been a withdrawal of locals in the casual labour force creating a high demand in the casual labour market. This increased demand resulting in high wages for casual labour has attracted migrant labour into the construction labour market, which is predominantly casual labour. Besides, the construction companies, in their efforts to reduce costs and increase their profit margin, prefer migrant labour over native labour as it is easier for them to exploit migrant labour to get more work done at a lower wage. The casual wage rate of native labour is normally much higher than migrant labour. In most places, not only do migrant workers get lower wages, but they also live in unhygienic conditions in slums or tin-sheds and their working conditions are also poor as they are hardly provided with basic facilities, like protective gear. Furthermore, they are hardly aware of their legal rights and the basic amenities that should be provided to them by law.

Having reviewed the macro-economic factors that have influenced migration of labour, it is also appropriate to look at the phenomenon of labour migration from the perspective of the labour migrant. The migrant worker enters the construction labour market due to various reasons. First of all, the migrant labourer is “pushed” out of his place of origin due to unemployment or under-employment in the agricultural sector, low wage rate, poor working conditions for labourers, drought or famine, conflicts, high cost of living, hardly any opportunity for business, less opportunity to enhance human capital and other factors. At the same time, the migrant labourer is “pulled” into the construction labour market in Goa due to greater demand for labour and the assurance of employment, higher wage rate, better working conditions, proximity or easy communication to place of origin, better opportunity to enhance human capital, better prospects for business, and similar other factors. After the migrant worker decides to move out of his/her place of origin he/she enters the labour market with the help of migrant networks rather than individually. These migrant networks are heterogeneous and consist of contractors, agents, former migrants, friends, relatives and acquaintances who have already been working in Goa earlier.
Finally, the migrant workers entry into the construction labour market is facilitated by the phenomenon of cumulative causation (Mrydal, 1944). Cumulative causation is a result of two inter-related processes. In the first process, entry of migrant labour into the construction sector makes the native workers label the job as “migrant” job (Piore, 1979). Natives look down on this job and feel that it is culturally unacceptable for them to join the construction labour force. The withdrawal of native labourers only increases the demand for migrant labour in the construction labour market. The second process of cumulative causation is closely related to the first. In this process, the availability of surplus migrant labour brings down the wage rate (NCEUS, 2007). The native labourers are not ready to work for a low wage rate and they move out of the construction labour force. The absence of any competition in the labour market from native labour opens the construction labour market entirely for migrant labour. The flow of migrant labour into the construction labour market is assisted by migrant networks.

There are three types of migrant workers that come to Goa, namely temporary, seasonal and permanent migrant workers. Many of the migrants are illiterate and unskilled workers, who enter the construction labour market through migrant networks of contractors, relatives and friends. They work under skilled workers and acquire the necessary skills, which enhances their human capital as well as their wages. With their experience, social networks, financial capital and their newly acquired skills, some of them exhibit upward occupational mobility by becoming self-employed employers of migrant labour. Thus, they also become part of migrant networks that bring more migrants into the construction labour market.

Once the migrant worker enters into the construction labour market, his continuance in Goa or his duration of residence depends not only on living conditions and working conditions at the construction site, but also networks with locals or earlier migrants, who share information, develop friendships and form a social support system for the migrants in the place of destination (i.e. Goa). In addition, the migrant worker maintains links with friends and family members in their places of origin through communication or home visits or by sending remittances (Fernandes, 2011).

A migrant comes to the place of destination not only to have access to the labour market, but also to have access to the land and asset market. A migrant is most likely to bring the rest of his family along and try to settle in the place of destination. This requires land and assets. However, a migrant construction worker is highly unlikely to have access
to the land and asset market or even the real estate market as he/she does not have the purchasing power to enter these markets. Some migrant workers, who stay in Goa for several years, develop skills required to move up the hierarchy of the organizational set-up of a construction company. Some of them have sufficient resources to acquire housing, land and assets. Others may become beneficiaries of Government schemes. Such progress can take place only if migrant workers have strong and powerful connections or high density networks.

1.3 Statement of the Problem

The pursuit of high economic growth by a small prosperous State of Goa has attracted large numbers of migrant labour from backward regions of India to labour markets in Goa, in particular, the construction labour market. The important role migrant labour plays in the construction labour market can be understood by analysing their social networks and their labour relations with various stakeholders in the construction industry.

1.4 Objectives of the Study

The main objectives of the study of social networks in the construction labour market are as follows:

1. To understand the social networks of migrant workers in the construction labour market in Goa.
2. To investigate the working and living conditions of migrant construction workers working under migrant self-employed employers of migrant labour.
3. To analyze the role of migrant self-employed employers of migrant labour in the construction labour market in Goa.
4. To study the upward occupational mobility of a migrant worker from a casual wage labourer to a self-employed employer of migrant labour.
5. To explore the network linkages of migrant self-employed employers of migrant labour with construction companies and with labour.
6. To comprehend the network links of migrant construction workers in Goa with their places of origin.
1.5 Research Questions

1. What are the social networks that exist among migrant workers in the construction industry in Goa?
2. What are the working conditions and living conditions of migrant construction workers employed by migrant self-employed employers of migrant labour?
3. What is the role of migrant self-employed employers of migrant labour in the construction labour market in Goa?
4. What are the factors that lead to upward occupational mobility of a migrant worker from a casual wage labourer to a self-employed employer of migrant labour?
5. What are the network linkages of migrant self-employed employers of migrant labour with construction companies and with migrant labour?
6. What are the networks of migrant construction workers in Goa with their places of origin?

1.6 Rationale of the Study

Neo-classical economic theories have always considered the phenomenon of migration as fundamentally an economic problem. However, labour migration is a complex phenomenon which cannot be explained merely through economic theories. Karl Polanyi (1957) challenged neo-classical theoretical frameworks of economic analysis by insisting that "economic systems are embedded in social relationships". From this theoretical standpoint, labour migration is most likely to have social ramifications which results in changes in social relations in the place of origin as well as the place of destination.

Any research on the phenomenon labour migration involves not only a study of migration of labour but also its influence on labour relations in labour markets of the place of destination. Various studies have revealed that migrants do depend on their social capital at different stages in their migration process. They use their social networks to seek labour market information, to help them journey to the place of destination, to enter into the labour market and to build social capital at the place of destination.

Social networks are also necessary for upward occupational mobility in the labour market. Therefore, the use of theories in the field of economic sociology is better able to comprehend the dynamics of labour migration and its effects on labour markets. It is
important to approach the study of labour migration from the theoretical standpoint that is derived from the Social Network Theory, which provides a theoretical framework to analyze the role played by social relations in the labour market.

The small prosperous State of Goa is an ideal research setting for the study of migrant labour. Besides, the dependence of the construction industry on migrant labour makes the construction labour market an appropriate context for this research. The application of social network analysis will help in making theoretical and methodological contribution to the understanding of various processes involved in the relationship among migrant construction workers, between migrant labour and construction companies and between migrant workers and their social capital at place of origin. A comprehensive understanding of the processes of labour migration will hopefully enlighten policy makers on dealing with migrants in the labour markets of the place of destination.

1.7 Methodology

This study has an exploratory research design as the social network approach to the study of the construction labour market is a relatively unexplored area. Goa was chosen as the research setting as it is a small prosperous State on the western coast of India, which attracts migrant labour from all over India to fuel its high growth rate. Mixed methodology that integrates quantitative methods and qualitative methods into one research project (Bryman 2008: 603) is best suited for this type of a study as it involves analysis of attribute data, qualitative data as well as relational data.

This research is undertaken in multiple stages and in different settings, namely the place of destination as well as the place of origin. There were three stages in this study. The first stage studied migrant workers in the construction industry in Goa. Using multi-stage cluster sampling method, a sample of 122 migrant workers was interviewed. The second stage was a study of migrant self-employed employers of migrant labour in Goa. Using snowball sampling technique, a sample of twenty five respondents was generated till saturation was reached and they were interviewed. In the third and final stage of the study was a case study of the migrant construction workers from Malda District of West Bengal, where migrants, return migrants and families of migrants working in Goa were interviewed.

The Methodology adopted for this research has been elaborately described in Chapter 3 of this thesis.
The analysis of the data was done in different ways depending on the type of data. The attribute data was analyzed using SPSS software and descriptive statistical analysis was done. Relational data was analyzed using Ucinet software and sociograms on the social networks of migrant construction workers were generated. Using the data of three construction sites of one Construction Company, five networks were generated, namely (1) information network, (2) job network, (3) work allocation network, (4) friendship network and (5) credit network. In the analysis of migrant self-employed employers of migrant labour, the relationship of density of the network with place of origin and occupation of migrant self-employed workers was explored. In addition, ego networks of migrant self-employed employers of migrant labour were analysed using sociograms. The qualitative data that emerged from all the stages was analyzed thematically to understand the role of migrant labour in the construction labour market in Goa and their social networks in the place of destination as well as their place of origin.

1.8 Chapter Scheme

The thesis is organized into eight chapters including the introduction of this research study. Chapter two reviews the literature on migration, labour market in general and construction labour market, in particular. It also reviews studies on construction workers in India and Goa. The third chapter explains the methodology used for all the three stages of the study. Chapter four gives an overview of the economy of Goa. It also presents the characteristics of the labour market with special emphasis on the construction labour market. Finally, it discusses issues related to migration in Goa. Chapter five deals with the findings of the first stage of the study on migrant construction workers in Goa with a special emphasis on their social networks. Chapter six analyzes the social networks of migrant self-employed employers of migrant labour and the role they play in the construction labour market in Goa. Chapter seven traces back the roots of a group of migrant construction workers in Goa to their place of origin in Malda District of West Bengal. Chapter eight presents the conclusions of the research study and possible areas of further research. The appendices placed at the end of this thesis contain tables of descriptive statistics, network matrices, a conceptual map, political maps of Goa and Malda, and interview schedules.