

Migrant Labour from Bihar in the Informal Economy: Employment Conditions, Wage Inequality and Social Security

Sunil Kumar

Assistant Professor, P. G. Department of Economics, Purnea University, Purnia

Prof. (Dr.) Ram Dayal Paswan

Principal, Araria College, Araria, Bihar

ABSTRACT

An significant aspect of India's informal economy is labour migration from Bihar, which is strongly linked to wage discrepancies, livelihood insecurity, restricted work possibilities, and geographical inequality. This study looks at the effects of labour migration from Bihar at the family level as well as employment conditions, pay disparity, working conditions, social security access, and occupational safety. The Periodic Labour Force Survey (PLFS), National Sample Survey (NSS), government papers, Census publications, research projects, books, and reliable institutional sources are all sources of secondary data used in this study. To find the main trends and issues affecting migrant workers, a descriptive and analytical method is used. The results show that the majority of migrants work in labour-intensive jobs like construction, manufacturing, transportation, hospitality, and domestic work. With little negotiating leverage and insufficient worker protection, employment is frequently transient and unstable. Occupation, skill, gender, and work arrangements all have an impact on wage inequality. Significant obstacles to social security, healthcare, and workplace safety are also found in the study, mostly as a result of institutional outreach, mobility, documentation, and low awareness. Through earnings and remittances, migration offers significant household benefits, but it also increases susceptibility to job shocks and growing living expenses. The study emphasises the necessity of fair and equitable work.. The study highlights the need for decent employment, fair wages, occupational safety, portable social protection, and improved livelihood opportunities in Bihar.

Keywords: *Labour Migration; Bihar; Informal Economy; Wage Inequality; Social Security*

Received : 9/9/2026

DOI: <https://doi.org/10.5281/zenodo.23124551>

Acceptance: 15/9/2026

I. Introduction:

Labour migration from Bihar is an important feature of India's informal economy, driven by regional disparities, limited employment opportunities, low wages, and livelihood insecurity. Migrant workers from Bihar frequently move to economically developed states in search of better employment and income opportunities. However, their participation in informal employment is often associated with temporary jobs, wage inequality, unsafe working conditions, limited bargaining power, and inadequate access to social security and healthcare. The COVID-19 pandemic further exposed these vulnerabilities through widespread employment losses and reverse migration. This study examines the employment

conditions, wage inequality, social-security access, occupational safety, and household-level effects of labour migration from Bihar.

II. Review of Literature:

The existing literature shows that labour migration in India is closely associated with regional disparities, employment opportunities, wage differences, urbanisation, informal employment, and household livelihood strategies. Tumbe (2018) provides a historical perspective on migration in India, while Deshingkar and Akter (2009), Kundu and Saraswati (2012), and Bhagat (2017) highlight the relationship between migration, urbanisation, regional inequality, and governance. Studies focusing on Bihar,

particularly Rodgers and Rodgers (2011) and Datta (2020), indicate that migration is an important livelihood strategy for rural households and is often circular in nature. Other studies have examined informal employment, labour insecurity, exploitation, social protection, gender inequality, and occupational health and safety among migrant workers (Jha & Tripathi, 2014; Sharma & Breman, 2013; Picherit, 2014; Srivastava, 2012; Roy & Alik Pramanik, 2021; Tiwari & Kumar, 2023). The COVID-19 pandemic further exposed the vulnerability of migrant workers through employment losses and large-scale reverse migration (Chari, 2020).

III. Research Gap:

Despite this substantial body of literature, there remains a research gap regarding an integrated and contemporary assessment of labour migration from Bihar. Existing studies often examine individual dimensions such as employment, wages, social security, or migration patterns separately, with comparatively limited attention to their interrelationship at the household level, particularly in the post-pandemic period. Therefore, the present study seeks to examine the problems of labour migration from Bihar by analysing employment conditions, wages, working conditions, social-security access, health and occupational safety, and the effects of migration on migrant households, thereby providing a multidimensional understanding of the contemporary challenges faced by migrant workers from Bihar.

IV. Objectives of the Study:

1. To investigate the working conditions, employment status, and salary disparity of Bihar migrant workers in the unorganised sector.
2. To determine the main obstacles to obtaining social security, healthcare, and occupational health and safety services for migrant workers from Bihar.
3. To examine the socioeconomic impacts of labour movement on migrant households in Bihar, specifically focusing on household welfare, income, livelihood security, and post-pandemic adjustments.

V. Research Methodology:

The Periodic Labour Force Survey (PLFS), National Sample Survey (NSS), government papers,

Census publications, research articles, books, and reliable institutional sources are the only sources of secondary data used in the study. To investigate employment conditions, income inequality, social security access, occupational safety, and household-level implications of migration from Bihar, a descriptive and analytical method is used. To find significant trends, difficulties, and post-pandemic changes, pertinent data are methodically examined, contrasted, and analysed.

VI. Results and Discussion:

The analysis of secondary evidence indicates that labour migration from Bihar is closely connected with the structural characteristics of the state economy. Limited availability of stable and adequately remunerated employment in rural areas, dependence on agriculture and informal activities, differences in regional wages, and the concentration of employment opportunities in economically developed states have contributed to the continuation of migration.

Migration from Bihar should therefore not be understood simply as an individual decision to seek employment elsewhere. It is also a household livelihood strategy through which families attempt to diversify income sources and reduce the economic risks associated with limited local employment opportunities. A significant finding emerging from the literature and available secondary evidence is the predominance of informal employment among migrant workers from Bihar. Migrants are employed in sectors such as construction, manufacturing, transport, hospitality, small-scale services, domestic work and other labour-intensive activities.

These occupations generally provide employment opportunities to workers with limited formal qualifications, but employment is frequently characterised by temporary contracts, irregular working arrangements and limited bargaining power. The absence of written employment agreements in many informal occupations can make workers particularly dependent on contractors, labour intermediaries and employers. The employment situation also demonstrates considerable instability. Migrant workers may experience periods of employment followed by unemployment or

underemployment, particularly when demand for labour changes. Circular and temporary migration allows workers to move between rural areas and employment destinations according to seasonal and economic conditions. While this flexibility can provide income opportunities, it also creates uncertainty regarding the continuity of earnings. The evidence therefore suggests that migration can improve access to employment while simultaneously exposing workers to employment insecurity.

Wage Conditions and Wage Inequality:

The review of available evidence suggests that wage differences constitute an important factor influencing migration from Bihar. Workers generally migrate because employment in destination areas can provide greater earning opportunities than many available local occupations. However, higher nominal earnings do not necessarily translate into proportionately higher improvements in living standards. Migrant workers face additional costs related to accommodation, food, transportation, communication and other expenses at destination locations. Consequently, the amount available for household saving and remittance may be considerably lower than the gross income earned by the migrant.

Occupational position, skill level, gender, employment arrangement, and the function of labour mediators are all linked to wage inequality. Low-skilled informal workers frequently have little ability to bargain for better pay. Payment may occasionally be contingent on contractor agreements, daily attendance, or the completion of the work. Financial instability may worsen if wage payments are delayed. Because occupational segregation and the concentration of women in low-paying occupations might limit access to higher-paying employment, women migrant workers may experience extra disadvantages. According to the data, wage inequality should be investigated as a result of variations in the informal labour market as well as as a difference in salaries between Bihar and destination states. Depending on vocation, skill, length of employment, and kind of employment relationship, the same migrant population may see significant differences in pay.

Working Conditions and Occupational Vulnerability

Working conditions represent another important dimension of migrant labour vulnerability. Informal workers frequently have limited access to regulated working environments, paid leave, employment-related benefits and formal mechanisms for resolving workplace disputes. Workers employed in construction, manufacturing, transport and other physically demanding occupations may also face occupational risks. The problem is particularly important because migrant workers can be reluctant to report unsafe working conditions when their primary objective is to retain employment and maintain remittance flows to their households. Dependence on contractors and the absence of effective representation can further weaken workers' bargaining position. Occupational vulnerability is therefore connected not only with the physical nature of employment but also with the institutional position of migrant workers within the informal economy. The available literature further indicates that migration can create difficulties in maintaining continuity of healthcare. Workers who move frequently between locations may not have stable access to healthcare institutions or information concerning available welfare schemes. Language, documentation, lack of awareness, mobility and distance from government institutions may create additional barriers.

Social Security and Access to Welfare:

One of the central findings of the study is that employment and social-security protection do not necessarily expand together. A migrant may obtain employment and earn an income without having adequate access to pension protection, insurance, maternity-related support, healthcare, accident compensation or other employment-linked benefits. This reflects the wider problem of social protection within India's informal economy. The portability of welfare benefits is particularly significant for interstate migrants. A worker originating from Bihar may spend substantial periods in another state, while the household remains in the village of origin. When social-security systems are geographically or administratively fragmented, migrant workers can face difficulties in accessing benefits at the

destination. Lack of awareness, documentation requirements, registration difficulties and weak institutional outreach can further restrict effective coverage. The post-pandemic period has increased attention to these issues. The COVID-19 crisis demonstrated that employment in cities and industrial centres does not necessarily provide adequate protection against sudden economic shocks. Large-scale reverse migration during the pandemic revealed the dependence of migrant households on continued employment and remittances. The experience also highlighted the importance of portable social protection and reliable employment information for migrant workers.

Effects on Migrant Households:

At the household level, migration produces both economic opportunities and social costs. Remittances can contribute to household consumption, education, healthcare, housing improvement, debt repayment and other livelihood needs. For households with limited local employment opportunities, migrant earnings can therefore provide an important source of economic support. At the same time, dependence on migration income can expose households to external labour-market shocks. When employment at the destination declines, household income may fall rapidly. The pandemic provided a particularly clear illustration of this vulnerability. Households dependent on migrant earnings were affected not only through loss of employment but also through difficulties associated with travel restrictions, return migration and reduced opportunities for local employment. Migration can also alter the distribution of responsibilities within households. Long periods of absence of male migrants may increase the responsibilities of women and older household members in managing agriculture, childcare, household expenditure and other activities. Thus, the economic benefits of migration need to be considered alongside its social and organisational consequences for families.

Post-Pandemic Changes:

The evidence reviewed for the study suggests that the post-pandemic migration environment has not eliminated the underlying causes of migration

from Bihar. Rather, the pandemic exposed weaknesses that already existed within informal employment and social protection systems. The return of migrant workers during the crisis demonstrated the limited resilience of many informal employment arrangements. Subsequent recovery in economic activity has restored migration as an important livelihood strategy, but questions concerning employment security, occupational protection and access to welfare remain relevant. An important implication is that the future of labour migration from Bihar cannot be addressed only by attempting to reduce migration. Migration is also an important mechanism through which households access employment and diversify their sources of income. Policy attention therefore needs to focus on improving the quality and security of employment, strengthening social protection, improving portability of benefits and expanding productive employment opportunities in Bihar.

VII. Major Findings of the Study:

The analysis produces several major findings. First, migration from Bihar is strongly associated with unequal regional employment opportunities and differences in earning potential. Second, informal employment remains central to the livelihood of many migrant workers, making them vulnerable to employment instability and weak labour protection. Third, wage differences exist not only between origin and destination regions but also among migrants according to occupation, skills, gender and employment arrangements.

Fourth, access to social-security and healthcare facilities remains an important concern because employment in the destination economy does not automatically guarantee effective social protection. Fifth, occupational health and safety constitute a significant area of vulnerability, particularly for workers engaged in physically demanding and hazardous informal occupations. Sixth, migration provides important economic benefits to households through earnings and remittances, but these benefits coexist with risks arising from employment interruptions, rising living costs and dependence on external labour markets.

Finally, the study finds that the problems of migrant labour from Bihar are interconnected. Employment insecurity can contribute to unstable earnings; unstable earnings can affect household welfare; weak social protection can increase the consequences of employment loss; and unsafe working conditions can create additional health and economic burdens. Consequently, labour migration requires a multidimensional policy and research approach rather than an exclusive focus on wages or employment.

Overall, the findings demonstrate that migration continues to play an important role in the livelihood strategies of households in Bihar, while the quality of migrant employment remains a major concern. A sustainable approach requires greater attention to decent employment, fair and timely wages, occupational safety, healthcare, portable social-security protection and improved livelihood opportunities at the place of origin. Such measures can help ensure that migration functions as a source of livelihood improvement rather than becoming a mechanism through which economic and social vulnerabilities are transferred from rural Bihar to informal labour markets elsewhere in India.

VIII. Conclusion:

Although labour migration from Bihar is still a significant source of income, migrant workers must deal with unstable employment, unequal pay, hazardous working conditions, and restricted access to social protection. Migration raises vulnerabilities while also supplying income and household support. Stronger livelihood possibilities, fair salaries, occupational safety, portable social protection, and decent work are all necessary for sustainable results in Bihar.

References:

1. Bhagat, R. B. (2017). Migration, urbanization and governance: Issues and challenges. *Economic & Political Weekly*, 52(15), 45–52.
2. Chari, A. (2020). Labor market shocks and reverse migration in India during COVID-19. *Journal of Development Economics*, 147, 102540.
3. Datta, A. (2020). Circular migration and precarity: Perspectives from rural Bihar. *The Indian Journal of Labour Economics*, 63(4), 1143–1163.
4. Deshingkar, P., & Akter, S. (2009). Migration and human development in India (Human Development Research Paper 2009/13). UNDP.
5. Jha, N., & Tripathi, S. (2014). Wage determination and informal labor in the urban construction sector. *Indian Journal of Industrial Relations*, 50(2), 210–225.
6. Kundu, A., & Saraswati, L. R. (2012). Migration and exclusionary urbanisation in India. *Economic & Political Weekly*, 47(26/27), 219–227.
7. Mukherji, S. (2013). Migration in India: Links to urbanization, regional disparities, and development policies. Routledge.
7. Picherit, D. (2014). ‘Migrant labourers are like brick-making clay’: Bondage and violence in South India. *Journal of Agrarian Change*, 14(1), 85–103.
8. Rodgers, G., & Rodgers, J. (2011). Inclusive growth and migration in rural Bihar. *Economic & Political Weekly*, 46(26/27), 43–50.
9. Roy, A., & Alik Pramanik, S. (2021). Gendered precarity: Female migrant workers in India’s informal economy. *Gender, Place & Culture*, 28(8), 1120–1142.
10. Sahoo, U., Das, S., & Mishra, P. (2022). Portable social security for internal migrants in India: Institutional design vs. ground realities. *Social Policy & Administration*, 56(5), 780–796.
11. Sharma, A., & Breman, J. (2013). Underclass and neo-liberalism: Migration and labor informalization in South Asia. Oxford University Press.
12. Srivastava, R. (2012). Internal migration and labor mobility in India: Policy issues and challenges. *National Institute of Labour Economics Research and Development*, 48(1), 12–35.
13. Tiwari, R., & Kumar, A. (2023). Health vulnerabilities and workplace hazards among inter-state construction workers. *International Journal of Occupational Safety and Ergonomics*, 29 (2), 512–523.
14. Tumbe, C. (2018). India moving: A history of migration. Penguin Random House India.

