1. MIGRATION AND GROWTH: LURE OF URBANISATION IN INDIA

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ABSTRACT

This paper examines the role of the Indian informal sector in the process of urbanisation and checks whether models of migration curated by economists are applicable in explaining their role in reducing the dualism that hinders development. The study has been limited to the Indian urban sector (non-agriculture) and the analysis is based on several data sources. Calculated wage differences in the workforce show a persistent urban-rural wage gap over a span of time; the wage gap between regular/ salaried employees and casual labour present at any point of time captures the informalisation of the urban economy. Labour segregation based on skill set and the bifurcation of migrants based on duration of stay are two factors missed by models of migration. The results reveal a substantial contribution by the informal sector in the urbanisation process, in which low-income unskilled rural migrants execute a noteworthy role. In addition, these results share the failure of models of migration to explain the continuation of the informal economy in India.

Keywords: urbanisation, rural-urban migration, informal labour market, wage-gap, migration models, urban dualism

INTRODUCTION

COVID-19 had brought the world to a standstill, with industries and markets being shut everywhere. India simultaneously underwent an unanticipated crisis of mass reverse movement of labour from cities. Due to the lack of data, estimates about the expected number of migrants vary. '.... Railways claimed about 3.5 million workers were able to avail travel on

special trains, …. The central government, in its report to the Supreme Court of India, averred that 9.1 million migrants have been transported, …' (Srivastava, 2020), 'the Chief Labour Commissioner's office has counted over 26 lakh migrant workers stranded across the country' (Jebaraj, 2020). As per Srivastava (2020) and a survey by NABARD, circular migrants formed the largest share (72 percent) of the reverse migrants and 26 percentof this consisted of seasonal migrants. (Kaur and Shubham, 2021). The situation demonstrates the poor socio-economic construct of the Indian urban economy while drawing attention towards the victimisation of low-income migrant workers by Indian public policies.

Urbanisation and formalisation of the economy are metaphors for development(Mukherjee, Paul, and Pathan, 2009; Shaw, 1999; Kundu and Sarangi, 2007; Shonchoy and Junankar 2014) yet the current growth appears to be taking place at a considerable opportunity cost of formalisation. Approximately 89 percent of India's workforce is engaged in the informal sector (Economic Survey 2021-22) which contributes 50 percent to the nation's GDP (Nandakumar, 2022). This high contribution to the nation's economy directs attention towards the Indian labour market structure, quality of employment, and reassessment of development policies(Mukherjee et al. 2009; Shonchoy and Junankar, 2014; Colmer, 2015.). A recent State Bank of India report records that the share of the informal sector shrank to 15-20%percent of GDP in 2020-21 due to the shock of COVID-19 and efforts at demonetization and digitalization (Ghosh, 2021). However, the contribution of migrant labourers to economies in developing nations cannot be over-emphasized. However, neither the significance of concepts underlying the models of migration nor the adaptability of the models in the changing urbanisation process is questioned. Hence, the motive of the paper is to find answers to following questions:

1. *How does the urban informal sector influence the urbanisation process?*
2. *Are existing models of migration relevant in explaining the existenceof the informal sector in urban India?*

The paperexamines the popular notion of urbanisation and revisits the concepts of migration models within the current urbanisation framework. The models analyse potential increase in the quality of life of labourers migrating to urban regions compared to their rural counterparts. These migration models are investigated with the help of an index fashioned to check their relevance and estimate wage differentials among various job categories, in order to present the pervasiveness of casualisation in economy.

The paper makes an important contribution to the literature on urbanisation and migration as it provides knowledge on the real nature of migration in India and application of theories of models of migration in the current urbanisation scenario in developing countries with the idea of wage gap indexes. The second section of the paper expands on urbanisation in India by sharing statistics on urban sector growth, and on the contribution of all components over the last five decades as well as by examining the employment scenario in urban areas. Section three provides statistics on migration in India and elaborates on concepts of models of migration. Section four provides a detailed discussion on the wage-differential index and tests it against the ideas of models of migration.

URBANISATION IN INDIA

Ancient cities are believed to have developed for the purpose of trade (Cartwright, 2019; Kaplan et al., 2004) and their establishment around large river bodies consequently led to far- reaching water networks shaped for the transportation of goods (Cartwright, 2019; de Vries, 1990; Whipps, 2008) whereas modern cities that emerged after Industrialisation in the eighteenth century, are a result of the urbanisation process (Ioannides and Rossi-Hansberg, 2005; Kaplan et al., 2004; de Vries, 1990; Bhagat, 2012).

Cities eventually turned into the centers of population and production and became the main contributors of national GDPs (Etzo, 2011; Ioannides and Rossi-Hansberg, 2005).

Urbanisation elements comprise natural growth of population[1], migration, change in boundaries and the creation of new urban centres (Bhagat 2014; Bhagat and Mohanty 2009; Census of India 2011; Colmer, 2015; Ioannides and Rossi-Hansberg, 2005; Kaplan et al. 2004; United Nations 2001). Presently, the global urban population stands at 56 percent (UN DESA 2001) and is expected to grow to 68 percent by 2050, of which Asia and Africa are expected to be the largest contributors (UN DESA, 2018).In 2020, 56.2 percent[2] of the world population was urban.

Post-independence, the urbanisation process in India transpired via its four largest metropolitan cities: Mumbai, Kolkata, Chennai and Delhi (Shaw, 1999; Kundu and Sarangi, 2007; Bhagat, 2014). The Economic Reforms that started in 1991 further expanded investment opportunities and relaxed trade policies, leading to the introduction of new employment areas along with an expansion of existing ones (Bates, 2000; Bhagat, 2014; Shaw, 1999).Better job opportunities, availability of a variety of goods, local amenities and public goods in urban areas attracted a large mass to urban centres (Bhagat and Mohanty, 2009; Ioannides and Rossi-Hansberg, 2005; de Vries, 1990).

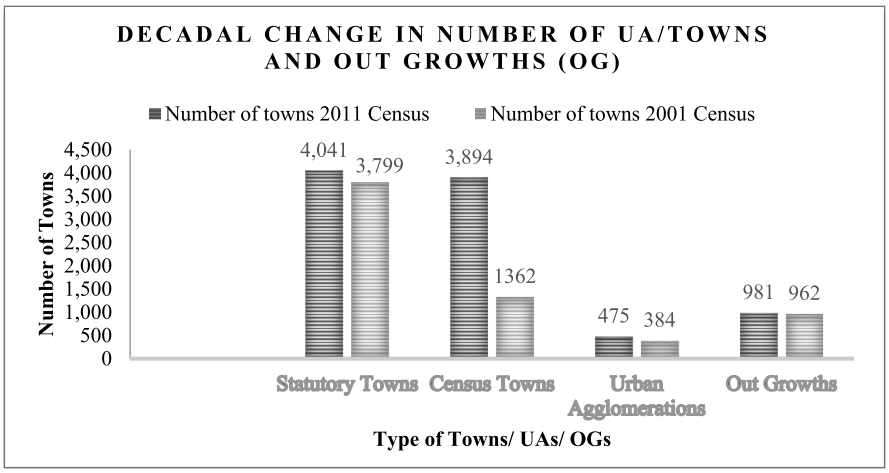
Due to the absence of a standard universal definition, urban areas are defined differently by national statistics of different nations (Bhagat, 2014; Ioannides and Rossi-Hansberg, 2005; "Migration Data", 2020). The census

1 Natural Increase Rate of Population = Crude Birth Rate - Crude Death Rate

2 https://www.weforum.org/agenda/2020/11/global-continent-urban-population-urbanisation-percent/#:~:text=Overall%2C%20more%20people%20in%20the,the%20world%20population%20was%20urban.

authority of India defines an urban area as an area which satisfies: i) a minimum population of 5,000, ii) at least 75 percent of the males in the main working population are engaged in non-agricultural pursuits, and iii) a density of population of at least 400 persons per sq. km. Statutory towns, census towns, out growths (OG) and urban agglomerations (UA) make up urban areas. An increase in the same hints at an expansion of urban territories. Census data (figure below) reveals an increase in number of towns, agglomerations and out growth areas over a decade, a change dominated by the expansion of census towns.

Graph 1



Source: Census India (2011)

Owing to large economies of scale, big cities are ideal to become pivots of manufacturing and are preferred areas for establishing production units (Colmer, 2015; Bhagat, 2014; Shaw, 1999). However, the unavailability of inexpensive land and the non-compliance with laws of the city have pushed the industry set-ups to the peripheries (Shaw, 1999; Srivastava 2020; Bhagat 2014).The proliferation of slums and informal residencies around the industries have led to the construction of out growths (Bhagat, 2014).

The degree of urbanisation is jointly computed by the rise in urban growth (change in population size) and the fall in rural growth. Decennial statistics since 1971, paint a favourable portrait of urbanisation testified through records (table 1) of rising urban growth rate with a parallel descend in rural growth.

Table 1: Decadal Change in Urban and Rural Growth

Year	Urban Growth Rate (%)	Rural Growth Rate (%)
1971	19.91	80.09
1981	23.34	76.583
1991	25.7	74.222
2001	27.81	72.082
2011	31.16	68.724
2019*	34.47	65.528
2020*	34.926	65.074

*Source: compiled by author using figures from Census Data (2001, 2011); *The World Bank Data*

Steady rise in urban growth is documented by tracking the components of urbanisation. Over the decades, the statistics note a major input from natural population growth in urbanisation. However, the contribution of net rural-to-urban migration to the process has been steady. Post 1991, the rate of reclassification of area and jurisdictional changes exhibits a significant contribution to urbanisation as compared to previous years, and the natural population growth rate shows undulating figures.

Table 2: Status of Components of Urbanisation (in percentage)

Components of Urbanisation	1971-81	1981-91	1991-01	2001-11
Natural Growth Rate	49. 9	62.3	57.6	43.8
Net reclassification from rural to urban and jurisdictional changes	31.4	19	21.5	35.6
Net Migration	18.6	18.7	20.8	20.6

Source: Bhagat (2012)

It has been interestingly identified from the data as well as pointed out by certain studies (Bhagat and Mohanty, 2009; Bhagat, 2014; Colmer, 2015) that the rise in population has been modulated by an increase in the number of towns and cities. Colmer (2015) observes that 'between 1901 and 2011 there has been a 75% increase in the average town size and a 70% increase in the average mega city size.'

Indian cities are the main drivers of the nation's economy by contributing 63 percent to the GDP (Census 2011).Business Standard (2011) projects that cities will contribute 70 percent to India's GDP by 2030. The service sector is the largest sector in India, it accounted for 54.77 percent of India's Gross Value Addition (GVA) in 2019-20, while the manufacturing sector contributed 27.48 percent and the agriculture and allied sector's share was 17.76 percent (MoSPI, 2020).The service and industry sectors open up various employment options in both formal and informal set-ups.

National Sample Survey (NSS) data on employment and unemployment 2011-12 and data from Periodic Labour Force Survey (PLFS) round 2017-18 share that between 2011-12 and 2017-18 there has been an increase of 5 percent in regular wage jobs, though this is attributed to a 4 percent decrease in the overall workforce share. Despite this rise, regular employment is largely skewed towards elementary occupation (The Economic Times, 2019). Further, a reduction of 9 percent in informal sector employment between 2004-05 and 2017-18 was observed due to the shift in female workers to domestic units as help (The Economic Times, 2020). Despite the falling numbers of employees in the unorganised or informal sector, it still remained the dominant sector in providing employment. PLFS 2018-19 showed that among the working population about 128 million are part of the labour force in urban areas of which 116 million are employed. Out of the total employed, 23 percent are formal workers and 77 percent are informal workers.

Further, the nature of employment in the formal sector is not as regulated as expected. It was observed that since 2005, the number of hired workers

(both casual and regular) without job contracts increased much faster as compared to those with contracts. Hence, the growth in the workforce was dominated by contractual or casual employees, and it grew more rapidly in the organised sector not only due to casualisation of the workforce but also due to employment without contracts (Punia 2020; Srivastava 2016).The abrupt closing of industrial work during the COVID-19 lockdowns resulted in an exodus of migrant workers (a testament to the large informal market at play in the urban economy) who, lacking security of employment, shelter, and food, rushed back to their hometowns.

MIGRATION MODELS AND LURE FOR URBAN AREAS

Migration is described as a plan of action adopted by rural populations to improve household livelihoods and benefit from better services in urban areas (Bates, 2000; Bhagat, 2014; UN ESCAP, 2013; Kundu and Sarangi, 2007). Cities are greatly benefited from the steady supply of labour coming in from rural areas (Bates, 2000; Bhagat, 2011). Within India, as per the 2011 census, 37 percent of the country's total population accounted for internal migrants[3].

Migration as based on the direction of movement, can be categorised into four groups——rural-to-rural, rural-to-urban, urban-to-rural and urban-to-urban migration (Bhagat, 2011, 2014; Census of India, 2011; Kundu and Sarangi, 2007). The significance of rural-to-urban migration in the urbanisation process cannot be under-emphasized, however, the statistics in table 3 draw attention towards the high contribution of urban-to-urban migration, which is expected to occur in lieu of acceleration in contract-based jobs. Curiously, a parallel ascend is observed in urban-to-rural migration over the census years.

3 defined as migrants who move within the boundaries of their own country; this includes both intrastate and interstate migrants.

Table 3: Migration Trend in India based on Place of Last Residence (POLR) (Duration of Residence 0-9 years)

Form of Migration	Total (in percentage)		
	1991	2001	2011
Rural-to-Rural	58.1	54.7	45.6
Rural-to-Urban	20.1	21.1	20.5
Urban-to-Urban	14.2	14.7	25
Urban-to-Rural	7.5	6.4	8.9

Source: compiled by authors using figures from Census Data[4] (1991, 2001, 2011)

Migration can also be classified as permanent and temporary/ seasonal migration on basis of the durations of stay of migrants away from their places of origin. Temporary migrants move outside their places of origin for a short duration (some months in a year) for change in economic activity and return when said economic activity is concluded (Keshri and Bhagat, 2012; Srivastava, 2020; Bhagat, 2014).

Circular migration has become an additional source of income for rural households that are unable to support themselves through agriculture (Keshri and Bhagat, 2012; Bhagat, 2014). The movement is associated with seasonal activities and forms a large section of informal employment in both rural and urban areas (Mukherjee et al., 2009; Srivastava, 2020; Kundu and Sarangi, 2007). Therefore, its importance has been realised by researchers and policy makers. Difficulty in identification and survey of seasonal migrants from the permanent migrants in surveys and census obstructs the study of phenomenon (Keshri and Bhagat, 2012; Srivastava, 2020; Bhagat, 2014).

However, the 64th round of the NSS (2007-08) exclusively provides data on migration to study temporary and permanent migration in India. With the help of the analysis done by Bhagat and Keshri (2012), it is understood that rural residents prefer temporary migration and urban residents permanent migration. Further, Keshri and Bhagat (2012) and Kundu and Sarangi (2007) observed that education status is negatively related to temporary

migration and that socioeconomic backward groups such as Scheduled Caste and Scheduled Tribes, are more likely to migrate temporarily than higher caste groups in rural areas.

As reviewed, migration forms a notable component in the urbanisation process and its significance has been advocated explicitly by developmental economists (Harris and Todaro, 1970; Lewis, 1954) through the migration models curated by them. Assembled for underdeveloped and developing countries, rural-to-urban migration models focus on reallocation of surplus labour employed in indigenous sectors to capitalistic sectors on account of gaps in the growth process, income, and productivity between the two. The models are built on assumption of the presence of a dualistic economy: agricultural or indigenous (in rural areas) and capitalistic or modern (in urban areas), with the former being predominant.

Lewis' theory of migration (1954) underlines the objective to make underdeveloped or developing countries developed through the accumulation of capital by expanding the capitalist sector. In order to do so, Lewis finds it imperative to shift large disguised labour from the rural to the urban sector, since marginal productivity of an additional labour on limited agricultural land is zero or negative. When employed in modern industry, productivity of the labour will be positive without affecting marginal productivity in the agriculture sector. Lewis elaborates that the supply of unlimited labour from rural areas is incentivised by the higher wages offered in the modern sector, which should be fixed and must be 30-50 percent above that offered in the subsistence economy. Expansion of the modern sector through reallocation is expected to set in a multiplier effect which shall not only generate surplus for the employer but also capture all the surplus labour of the agriculture sector, leading to expansion in industrialisation and progress towards sustainable growth. This process, as per Lewis, is believed to continue until all agricultural surplus labour is absorbed by the capitalistic sector along with rural wages becoming equal to urban wages.

Following the idea of Lewis' reallocation model, economists Harris–Todaro's theory (1970) differs from it in one point as it considers the main driver or the main motivating force of the move to be the difference in the expected wages of rural and urban areas than the real wages offered in either sector. Harris–Todaro further assert that taking into consideration the presence of unemployment in the urban sector and not in rural areas, migrants calculate their chances of finding employment in urban areas before the move. The model argues that despite migration being a very careful unanimous decision of families (Etzo, 2011; De Haan, 2002), it is still a 'game of lottery' as termed by sociologist Gurglar, where in spite of the knowledge of low chances of finding jobs in urban areas, migrants are ready to take the risk of moving due to the expectation of high wages (Harris and Todaro, 1970). Therefore, migrants first analyse the chances of finding a job of their choice in their field and the expected urban wage (by calculating expected urban wage times the probability of getting a job) and third, they compare the expected urban wage (W^e_u) with the real wage they are earning in agriculture (W_r). The model propounds migration to continue as long as W^e_u is greater than W_r,; migration will cease only when the continuous rural-to-urban movement has either forced down the urban wage or forced up urban unemployment so much that $W^e_u = W_r$ and reverse migration is anticipated to set in if W_r exceeds W^e_u.

URBAN MIGRATION

In an effort to answer the research questions posed, the paper derives a measure of informalisation of labourers in urban India, using the extent of wage differentials between urban and rural workers. Data on wages are available separately for male and female workers. Further, they are also available separately for those who earn salaried incomes and those who earn wages on a daily basis. Wage differences have been calculated using NSS and PLFS data. Following the spirit of Lewis (1954), we argue that the migration

of labourers from rural regions to urban regions would increase the gap between rural and urban wages as people will shift from a subsistence level wage system to a formal one with higher productivity and a consequent higher level of wages for themigrants. The process would also facilitate an increase in the gap of wages received by salaried employees and by casual labourers. We estimate the wage differential index using the following constructs:

(a) overtime between urban and rural employees-

$$\frac{Urban\ (maleorfemale)\text{-}Rural(maleorfemale)}{Rural\ (maleorfemale)}\ \%$$

(b) at any time between casual labourers and regular/ salaried employees-

$$\frac{Regularorsalariedemployees'\ wages\text{-}Casuallabourwages}{Casuallabourwages}\ \%$$

The flourishing service sector and the rapidly-expanding manufacturing sector jointly introduced heterogeneity in the urban labour force. Based on proficiency, labour force is segregated into four groups[5]—highly skilled, skilled, semi-skilled and unskilled; the former two configurate under regular wage/ salaried employees and the latter two under casual labour, of which migrants too form a part (Lucas, 2004; Srivastava, 2016). Empirical studies validate externalities associated with human capital (Dumont and Liebig, 2014; Glaeser and Maré, 2001; The Economic Times, 2016; Michaelsen and Haisken-DeNew, 2015). As a result, education and earning show a positive correlation in a manner that a highly-skilled individual is expected to earn more (Srivastava, 2016; Kundu and Sarangi, 2007).

5 For details on definition of classification of workers visit - https://labour.gov.in/sites/default/files/MW%20Final%20%281%29_0.pdf

Table 4: Daily wages (INR) received by casual labourers and regular wage/salaried employees of between the ages of 15-59 years during 2004-05, 2009-10 and 2011-12

Category of workers	Category of person					
	Male		Female		Person	
	Rural	Urban	Rural	Urban	Rural	Urban
2011-12						
Regular wage/ salaried employees	322.8	469.87	201.56	366.15	298.96	449.65
Casual labour in works other than public works	149.32	182.04	103.28	110.62	138.62	170.1
2009-10						
Regular wage/ salaried employees	249.15	377.16	155.87	308.79	231.59	364.95
Casual labour in works other than public works	101.53	131.92	68.94	76.73	93.06	121.83
2004-05						
Regular wage/ salaried employees	144.93	203.28	85.53	153.19	133.81	193.73
Casual labour in works other than public works	55.03	75.1	34.94	43.88	48.89	68.68

Source: NSS data – 61st,66th, 68th rounds

Table 5: Average earnings (INR) received by regular wage/salaried employees in current weekly status and casual labourers on per day basis in 2017-18, 2018-19 and 2019-20

Category of workers	Category of person					
	Male		Female		Person	
	Rural	Urban	Rural	Urban	Rural	Urban
2019-20						
Regular wage/ salaried employees	467.93	669.94	338.08	532.30	438.09	635.86
Casual labour in works other than public works	306.5	385	198	252	278.50	366
2018-19						
Regular wage/ salaried employees	451.63	639.96	290.81	494.76	417.83	606.35
Casual labour in works other than public works	287	354.25	186.25	223.75	266.25	335.25
2017-18						
Regular wage/ salaried employees	451.09	599.63	297.96	485.32	421.41	573.74
Casual labour in works other than public works	267.5	323.75	173	192	246.5	303.5

Source: PLFS 2018-19, 2017-18 (four quarters)

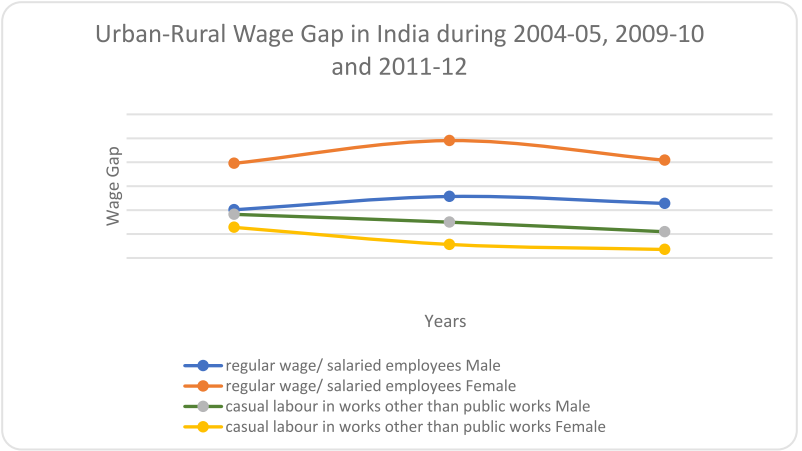
Tables 4 and 5 are computed using data retrieved from NSS data (2004-05, 2009-10 and 2011-12) and PLFS (2017-18, 2018-19 and 2019-20) respectively to present wages offered to different categories of workers in different areas. Wage gap in rural and urban areas under different job categories are calculated using data from tables 4 and 5 and presented in tables 6, 7, 8 and 9 separately.

Table 6: Urban-Rural wage gap (in percentage) among regular wage/ salaried employees and casual labourers during 2004-05, 2009-10 and 2011-12

Category of workers	Category of person		
	Male	Female	Person
2011-12			
Regular wage/ salaried employees	45.56	81.66	50.40
Casual labour in works other than public works	21.91	7.11	22.71
2009-10			
Regular wage/ salaried employees	51.38	98.11	57.58
Casual labour in works other than public works	29.93	11.30	30.92
2004-05			
Regular wage/ salaried employees	40.26	79.11	44.78
Casual labour in works other than public works	36.47	25.59	40.48

Source: compiled by authors

Graph 2



Source: compiled by authors

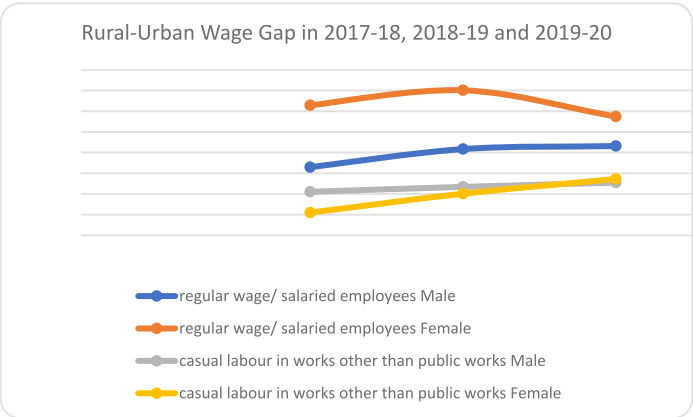
The urban-rural wage gap during the period 2004-05 to 2009-10 is estimated to have increased by 11 percentage points (from 40.26 percent to 51.38 percent) among regular wage/ salaried employees males and has decreased by 19 percentage points (from 79.11 percent to 98.11 percent) among female employees of the same category. During the period 2009-10 and 2011-12, the gap has decreased by approximately 6 percentage points (from 51.38 percent to 45.56 percent) among regular wage/ salaried employees males and has decreased by 16 percentage points (from 98.11 percent to 81.66 percent) among female regular wage/ salaried employees.

However, among in male casual labour, the wage gap has decreased by 6 percentage points (from 36.47 percent to 29.93 percent) during the period 2004-05 to 2009-10 and by 8 percentage points (from 29.93 percent to 21.91 percent) during period 2009-10 to 2011-12. The fall in the wage gap observes a relatively high dip among female casual labour, with a decrease of 14.29 percentage points (from 25.59 percent to 11.30 percent) during the period 2004-05 to 2009-10, and a further decrease of 4 percentage points (from 11.30 percent to 7.11 percent) during the period 2009-19 to 2011-12.

Table 7: Urban-Rural wage gap (in percentage) among regular wage/salaried employees and casual labourers during 2017-18 and 2018-19

Category of workers	Category of person		
	Male	Female	Person
2019-20			
Regular wage/ salaried employees	43.17	57.45	45.14
Casual labour in works other than public works	25.51	27.27	31.42
2018-19			
Regular wage/ salaried employees	41.70	70.13	45.12
Casual labour in works other than public works	23.43	20.13	25.92
2017-18			
Regular wage/ salaried employees	32.93	62.88	36.16
Casual labour in works other than public works	21.03	10.98	23.12

Source: compiled by authors



Calculation of differentials show that during 2017-18, among regular salaried males the urban-rural wage gap stood at 32.93 percent, which is 12.63 percentage points less than that estimated for the person category during 2011-12. This gap expanded by 8.77 percentage points in the year

2018-19 to 41.70 percent and it further widened by 1.47 percentage points during 2019-20. However, in the same category among female employees, a stark wage gap of 62.88 percent prevailed in 2017-18, which is 18.78 percentage points less than that estimated for the category during 2011-12 and this gap rose to 70.13 percent by 7.25 percentage points in 2018-19, but shrunk again in 2019-20 by 12.68 percentage points.

During the period 2017-18 and 2018-19 among male casual workers, the urban-rural wage gap increased by 3 percentage points (from 21.03 percent to 23.43 percent), and among female casual labour, the gap increased by approximately 9 percent (from 10.98 percent to 20.13 percent).

Table 8: Wage gap (in percentage) between regular wage/salaried employees and casual labourers during 2004-05, 2009-10 and 2011-12

Category of workers	Category of person					
	Male		Female		Person	
	Rural	Urban	Rural	Urban	Rural	Urban
2011-12						
Regular wage/ salaried employees	116.18	158.11	95.16	231.00	115.67	164.34
Casual labour in works other than public works						
2009-10						
Regular wage/ salaried employees	145.40	185.90	126.10	302.44	148.86	199.56
Casual labour in works other than public works						
2004-05						
Regular wage/ salaried employees	163.37	170.68	144.79	249.11	173.70	182.08
Casual labour in works other than public works						

Source: compiled by authors

Results in table 8 show gap in wages between regular wage employees and casual labourers in all categories of person. Among rural males, in the period between 2004-05 and 2009-10 the gap fell by 17.97 percent and it further fell by 29.22 percentage points in the period between 2009-10 and

2011-12. Among urban males, in the period between 2004-05 and 2009-10 the gap expanded by 15.22 percentage points, whereas it fell by 27.79 percentage points in the period between 2009-10 and 2011-12. Among rural females, in the period between 2004-05 and 2009-10 the gap fell by 18.69 percent and it further fell by 30.94 percentage points in the period between 2009-10 and 2011-12. Among urban females, in the period between 2004-05 and 2009-10 the gap expanded by 53.33 percentage points and it fell by 71.44 percentage points in the period between 2009-10 and 2011-12.

Overall, for all rural persons in the period between 2004-05 and 2009-10 the gap fell by 24.84 percent and it further fell by 33.19 percentage points in the period between 2009-10 and 2011-12. Among all urban persons, in the period between 2004-05 and 2009-10 the gap expanded by 17.48 percentage points and fell by 35.22 percentage points in the period between 2009-10 and 2011-12.

Table 9: Wage gap (in percentage) between regular wage/salaried employees and casual labourers during 2017-18 and 2018-19

Category of workers	Category of person					
	Male		Female		Person	
	Rural	Urban	Rural	Urban	Rural	Urban
2019-20						
Regular wage/ salaried employees	52.67	74.01	70.75	111.23	57.30	73.73
Casual labour in works other than public works						
2018-19						
Regular wage/ salaried employees	57.36	80.65	56.14	121.12	56.93	80.87
Casual labour in works other than public works						
2017-18						
Regular wage/ salaried employees	68.63	85.21	72.23	152.77	70.96	89.04
Casual labour in works other than public works						

Source: compiled by authors

Statistics in table 9 show that among rural males, in the period between 2011-12 and 2017-18,the gap between earnings by regular wage/ salaried employees and casual workers fell by 47.55 percent, it further fell by 11.27 percentage points and 4.69 percentage points in the period between 2017-18 and 2018-19 and 2018-19 and 2019-20, respectively. Among urban males, the gap decreased by 72.9 percentage points in the period between 2011-12 and 2017-18, further by 4.56 percentage points in the period between 2017-18 and 2018-19 and by 6.64 percentage points in the period between 2018-19 and 2019-20. Among rural females, in the period between 2011-12 and 2017-18 the gap fell by 22.93 percent and by 16.09 percentage points in the period between 2017-18 and 2018-19. A further decrease was observed in the period between 2018-19 and 2019-20 by 14.61 percentage points. Among urban females, in the period between 2011-12 and 2017-18 the gap fell by 78.23 percent and in the period 2017-18 and 2018-19 by 31.65 percentage points. A further contraction was observed in the period between 2018-19 and 2019-20 by 9.89 percentage points.

Overall, for all rural persons, in the period between 2011-12 and 2017-18 the gap fell by 44.71 percentage points, and it further fell by 14.03 percentage points in the period between 2017-18 and 2018-19. However, a negligible contraction of 0.37 percentage points was noticed in the period between 2018-19 and 2019-20. Among all urban persons, in the period between 2011-12 and 2017-18 the gap fell by 75.3 percentage points. It further fell by 8.17 percentage points in the period between 2017-18 and 2018-19 and by 7.14 percentage points in the period between 2018-19 and 2019-20.

Data analysis from both indexes presented in tables 6-9 assist in investigating both the application and reliability of rural-to-urban models of migration. Results of the first index present a decrease in the urban-rural wage gap in discussed job categories in the last 10-11 years, presenting a migration not induced by wages. Further, the wage gap prevailing in the survey years, particularly among casual labour (of which migrants are a large part), is below 30 percent for both males and females. In contrast, Lewis

emphasised that the wage gap must be between 30-50 percent. The findings fail to obtain explanation from models of migration.

Interestingly, a contraction in wage gaps draws attention towards a simultaneous development in rural sector which was not anticipated by Lewis in his model since he considered the capitalist sector to be the sole catalyst of growth for developing nations. Additionally, it is surprising to note that development economists did not consider the introduction of a third sector, the service sector, in developing nations and associated dualism in urban labour market consequent to developed human capital.

NSSO and PLFS surveys bring up a strong presence of informal employment in both organised and unorganised sectors. The decreasing wage gap between regular wage employees and casual labour with respect to casual employees from tables 8 and 9 indicates that the gap remains and its nature depends on the skills endorsed by organised sector. The decreasing gap with respect to casual labour wages additionally shares an underlying implication of increasing informalization, especially in the urban economy, protecting constant supply of cheap labour in modern economy. Besides, expansion in contract-based jobs has catalysed abundant temporary or seasonal migrants. Clearly, migration models failed to ponder upon factors other than wages to stimulate movement and hence lack any mention of any answers to the situation of casualisation.

Migration models further mention that the movement is expected to stop when wages in rural and urban areas become equal and all surplus labour is absorbed by modern sector. However, the reduction in the wage gap calculated under both indexes does not imply a positive state of economy as the Census, PLFS and NSSO statistics on employment status show the existence of a large unemployed workforce and increased reverse migration, along with a significant share of rural-to-urban migrants.

Lastly, migration models failed to consider various other factors when developing their structures for developing nations, as witnessed from the

effects of COVID-19 on the migrants. Absence of social as well as economic security together with political exclusion drove a large mass of migrants to their native places.

CONCLUSION

Cities are not only drivers of the economy but have also become a positive force for addressing sustainable economic growth, development and prosperity. However, in light of the evidence provided, urban informal sector, in both organised and unorganised markets, seems to have taken over the economic sector. Unorganised sector activities only provide opportunities to unskilled workers to secure their basic needs for survival. Besides, the labour market runs on the whims of employers from the manufacturing and tertiary sectors, favouring large no-contract employment at low wage rates. Further, traditional models of migration failed at various parameters to explain the scenario of the urban economy and hence, stand irrelevant in explaining the urbanisation process. Additionally, these models failed to provide reasons for a large proportion of rural migrants becoming absorbed in the informal sector and for the increasing casualisation in organised sector. Had these labourers been part of formal employment with job contracts, they would have been still employed.

Despite the potential of urbanisation to lead a new age of well-being, resource efficiency and economic growth, cities have also become homes to high concentrations of poverty and inequality. The influx of population due to unplanned migration has led to an increase in the magnitude of slum areas and scarcity of availability of land besides laying stress on the supply of basic amenities. Urban poverty and housing are two major challenges for policy makers, while the processes of migration and urban growth are influenced by the unorganised urban sector—a connection whose further examination can provide a way forward.

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