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SOCIO-ECONOMIC DRIVERS OF LABOUR MIGRATION AND POST-MIGRATION EXPENDITURE AMONG MIGRANT LABOURERS IN DELHI/NCR

Shivani Lohia¹ and Dr. Anil Tiwari²

¹Research Scholar, ²Research Supervisor, Department of Economics,
Singhania University, Pachheri Bari, Jhunjhunu, Rajasthan, India

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ABSTRACT

The socio-economic factors influencing labour migration to Delhi/NCR and the change in household expenditure as a result of migration has been discussed here. The study uses a cross-sectional survey of 384 migrant laborers from development and infrastructure workers in the National Capital Region which was taken using multistage non-probability sampling technique (which included convenience and snowball sampling). The data were collected by using semi-structured questionnaire and analyzed with descriptive statistics, reliability analysis, inter item correlation and analysis of variance using IBM SPSS 25. Economic insecurity became the overpowering story of migration. The most commonly stated reason for migration was employment (86.5%) with "lack of appropriate employment at the point of origin" being the most agreed upon reason, followed by "access to better health care and education" and "improved living standards in urban areas". The other reasons – "social mobility" and "family financial instability" – had high levels of agreement. Seven items of the socio-economic scale had a high reliability (Cronbach's alpha = 0.907). A significant change in expenditure was also observed after migration, with 92.4% spending less than ₹5000 per month prior to migration while 71.9% indicated that they spent ₹5,000 to ₹10,000 after migration, and 28.2% indicated expenditure of over ₹10,000 after migration. The results indicate that migration could create workplace livelihood potential and at the same time lead to significantly higher costs of urban living for the migrants. The policy response should thus focus on both creating jobs and protecting wages, entitling workers to social security coverage from one job to another, and assisting them in acquiring financial skills and affordable housing.

KEYWORDS: labour migration, Delhi/NCR, socio-economic factors, employment, urban living costs, migrant expenditure, internal migration

1. INTRODUCTION

India's transition to a new economy involves internal labour migration as a significant part. Employment, wages, public services and livelihood opportunities are uneven across districts and states which is driving the migration of workers between districts and states. The country's labour-receiving

urban systems include the National Capital Region, which pulls residents into the construction, manufacturing, transport, domestic, and a broad spectrum of informal services. National evidence also demonstrates the importance of movement related to employment. According to the Periodic Labour Force Survey (PLFS) with data for 2023, the share of 'employment reasons' for the males who moved out of the city was found to be very high in comparison to other years in the India Employment Report 2024 [1]. Census migration tables also reveal that jobs and work, business, education, marriage and household formation are different drivers of migration and Delhi continued to be prominent in the inter-state migration in India.

Migration's economic benefit is not just about the move but extends to the impact it has on the economic well-being of the migrants as well as other stakeholders. A worker moving to a new location in an urban area is working in a new environment—a new cost structure. Housing, transportation and expenses for living, medical care, social needs and other costs can take up a significant share of income. The decision to move can therefore also enhance employment opportunities and access to assets and lead to new expenditure pressures. Such duality is very significant for the poor migrant workers since the earning potential cannot be assessed on the basis of wages alone, but in terms of the costs associated with living locally.

There are a number of possible interpretations of this relationship from classical and contemporary migration theories. In line with the push pull approach, Lee's framework highlights that there will be conditions at the origin that are unfavorable, attractive conditions at the destination and barriers along the way [4]. The Harris-Todaro model assigns a relationship between rural-urban migration and perceived rather than actual urban wages [5]. Household strategy and social networks, labour market structure and institutional constraints are emphasized in broader migration systems approaches [6,7]. However, studies on short-term and circular cross-border mobility in the Indian context highlight the determinants of migration, such as employment concentration, sectoral structure, to rural opportunities; and the tendency towards clumping of migrant workers in low-paid and unstable jobs [8-10].

This paper will attempt to explore two inter-related questions on the socio-economic factors affecting partisanship for migration and the impact on the monthly expenditure reported by the migrant workers after migration based on primary data obtained from a doctoral study conducted by the author on migrant labourers in Delhi/NCR. By disaggregating these two questions it offers a more realistic view of migration not only as a livelihood strategy but also as an adjustment process for the city.

2. REVIEW OF LITERATURE

Many studies of migration have found that the differential in opportunities between places is a significant factor influencing migration. Lee [4] explained migration using the positive and negative forces at both source and destination locations, influenced by obstacles in the way and individual attributes. In the economic sense, the characteristics which would lead people to move from rural to urban areas even if there was unemployment in both places were formalized by Harris and Todaro [5]. Later, in instalment 2, Massey and co-authors [6] showed that there are no single economic explanations as migration is sustained through household strategies, social networks, institutional

arrangements and cumulative social processes. As already mentioned, de Haas also called for work that brings aspirations and capacities in synergy with the broader development processes [7, 15].

The employment structure is relevant and regional inequalities are important, as demonstrated by the evidence in India. The link between labour mobility and poverty and informal employment was found in the work of Berman [8]. Agrawal and Chandrasekhar [9] discerned that the strength of the link between the spatial distribution of work and short-term migration in India, and the wage disadvantages faced by short-term migrants. In the context of Tamil Nadu, Dodd et al [10] argued that while rural policy is a necessary component of work, policy towards movement needs to be viewed with a broader degree of caution and is not a good substitute for an employment policy [14, 16]. A further parameter that can affect migration across India, as found by Kone et al. [3] are internal borders, difference in language and state boundaries.

Labour mobility at the macro level can be a catalyst for structural transformation and can link the workforce to productive opportunities but yield unequal results. The importance of the broader economic value of people flows was highlighted by Freeman [11] while the International Organization for Migration (IOM) [13] is still reporting on the strong linkage between labour mobility, urbanisation, shocks and household welfare. The pandemic crisis also highlighted the lack of resilience of migrant households in the event of adverse shocks, such as loss of earnings, benefits were non-portable and insecure housing conditions [12]. These results remain pertinent and relevant beyond crisis contexts, as it shows that examining costs to migrant workers at destination is also important.

While there has been a considerable body of literature that attempted to explain the motives behind migration, few studies link the motives for migration directly to the outcome of worker's expenditure pattern after migration in an empirical framework with other factors. This paper tries to fill this vacuum based on a sample of migrants labourers in the urban region of Delhi/NCR where both pull and push factors of employment and living-cost have immediate relevance.

3. RESEARCH OBJECTIVES AND HYPOTHESES

There are two goals to this study. First – It is able to pinpoint the socio-economic drivers affecting the migration of labourers to Delhi/NCR. Secondly, it investigates the migrant labourer's change in the expenditures pattern after migration. Hypotheses relating to the relevance of the socio-economic factors and change of the expenditure pattern post-migration were developed in the doctoral study. The hypotheses are evaluated, mostly based on the observed distribution of the responses, on the scale statistics and the change in the expenditure category reported by the respondents.

4. RESEARCH METHODOLOGY

The study design used was a cross-sectional analytical study. A multi-stage non-probability sampling technique was employed in the field study. In the first phase, the districts of the NCR region, which are the National Capital Territory Delhi and neighboring areas of Haryana, Uttar Pradesh and Rajasthan were chosen. At later phases (developer occupations, infrastructure, etc.) regions were mapped that showed development or infrastructure activities, and then regions were selected with

specific work sites. The last sampling method used for respondent was convenience sampling and snowball sampling. There were 32 planned sites, 12 migrant labourers chosen at each site giving a total sample of 384 migrant labourers.

Primary information was gathered by using semi-structured questionnaire and face-to-face interviewing. The socio-economic driver scale consisted of 7 items on a Likert scale ranging from very strongly disagree to very strongly agree, dealing with economic opportunities elsewhere, lack of employment at origin, access to health care and education, living standards in the city, social mobility, relative importance of economic opportunities versus cultural and social ties, and family financial instability. Demographic characteristics, migration type, motivation for migration, dependents and monthly pre-and post-migration expenses were also recorded with the instrument. This data was gathered in 2023-24. IBM SPSS Statistics 25 was used for data management and analysis. The frequencies, the percentages, the means and standard deviations for each of the groups reported in the thesis, the Cronbach's alpha and selected inter-item correlations are reported in the present paper.

5. RESULTS

5.1 Profile of the respondents

The representation skillfully portrays the mobility aspect and the working status of migrants that is prevalent in Delhi NCR. Employment was the main reason for migration for 332 respondents (86.5%). Of the 4.3%, with migration arrangements different from permanent, the greatest group (72.9%) were seasonal migrants and 20.3% permanent and 6.8% circular. Levels of education were quite low with 38.5% saying that they had no formal education and 43.0% with secondary education. The three biggest states of origin were Uttar Pradesh (22.9 %), Odisha (16.7 %) and Haryana (15.6 %). The family responsibilities were also significant with 63.0% saying they had 3-4 dependants and 16.7% saying they had over 4 dependants. Such traits identify a labour force with close connections to employment opportunities and household economic roles.

Table 1. Selected profile characteristics of respondents

Indicator	Largest category	n	%
Reason for migration	Employment	332	86.5
Type of migration	Seasonal	280	72.9
Education	Secondary	165	43.0
Origin	Uttar Pradesh	88	22.9
Dependants	3–4	242	63.0

5.2 Socio-economic drivers of migration

The seven items scale had high internal consistency (Cronbach's alpha 0.907 and standardised alpha

of 0.917). The overall means show that participants were especially sensitive to financial insecurity of the family and that they typically emphasized the polarity of socio-economic success over cultural and social bonds (both $M = 4.98$). Better living standards in urban areas and social mobility emerged as strong themes ($M = 4.70$ and $M = 4.85$ respectively). Those who did not work at the place of origin ($M = 4.41$) and who had access to good healthcare and education were both rated highly. The mean for the item on general economic opportunities elsewhere, however, was somewhat lower, yet positive at 3.71.

This trend is echoed in the frequency distributions. 72.1% believe that economic opportunities in other areas affect migration. The overwhelming majority (99.3% agreed/completely agreed) believed that low pay at origin was likely to cause migration, and 99.3% thought that good health care and education would be a pull factor. 99.2% approved the improvement of the standard of living of the city's inhabitants and 99.3% approved of social mobility. 99.2% agreed with family financial instability. The scale is thus not for migration as a reaction to one cause but rather one combination of economic insecurity, service access and/or hopes for upward mobility.

Table 2. Socio-economic drivers of migration

Socio-economic factor	Mean	SD	Key response
Economic opportunities in other regions	3.71	0.470	72.1% agree
Lack of employment opportunities at origin	4.41	0.581	99.3% agree/fully agree
Better healthcare and education	4.42	0.540	99.3% agree/fully agree
Improved urban living standards	4.70	0.553	99.2% agree/fully agree
Social mobility	4.85	0.419	99.3% agree/fully agree
Economic opportunities outweigh cultural/social ties	4.98	0.264	99.2% fully agree

Family financial instability	4.98	0.264	99.2% fully agree
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The inter-item correlation matrix shows high correlation between some of the drivers. Correlation between the two economic opportunities and urban living standards was 0.953, with correlation among lack of employment at origin, healthcare and education at origin 0.990. Improved living standards and social mobility were found to be correlated at 0.761. The employment, services and living standards are not perceived separate motives in the process of decision-making of the respondents; the three are in an interdependent relationship. The ANOVA among the seven items also yielded statistically significant differences among the means of the items ($F = 879.409$, $p < 0.001$), meaning some motives were rated more positively than others.

The extent of the monthly spending change for those with migration expenses in the previous month and the current month

There are large shifts in expenditure distribution between the pre-migration and post-migration phase. Before migration, 355 respondents (92.4%) reported monthly expenditure below ₹5,000 and 29 (7.6%) reported ₹5,000–10,000. There was no respondent yet reported in the below-₹5,000 category after migration. Instead, 276 respondents (71.9%) fell in the ₹5,000–10,000 range, 49 (12.8%) in the ₹10,000–15,000 range and 59 (15.4%) in the ₹15,000–20,000 range.

Since the expenditure ranges are ordinal, the evidence should be interpreted as a clear shift in the spending pattern to interpret it as a precise estimate of the causal effect of migration on spending. Despite this constraint, the percentages of almost all the workers moving out of the lowest expenditure brackets indicate that having urban home status in Delhi/NCR is correlated with a significantly greater expenditure base per month among workers sampled.

Table 3. Monthly expenditure before and after migration

Period	Expenditure range	n	%
Before migration	Below ₹5,000	355	92.4
Before migration	₹5,000–10,000	29	7.6
After migration	₹5,000–10,000	276	71.9
After migration	₹10,000–15,000	49	12.8
After migration	₹15,000–20,000	59	15.4

6. DISCUSSION

The findings explain a rather strong case for the existence of broadly defined "economically induced" internal labour migration to Delhi/NCR, although not necessarily one "seeking a higher wage. People linked migration to lack of jobs at home, financial insecurity in their family with their children, lack of healthcare and education, and better wages at destination and opportunities for social mobility in urban areas. This is very similar to Lee's idea of the need for considering origin and destination conditions together, as well as the idea of a certain expected income in the Harris-Todaro model [5]. It is worth noting that the high rating of family financial instability is very unusual, especially as it indicates that migration is often part of the survival and responsibility of the family, but not necessarily a choice of career.

They also reveal some of the reasons that an employment-based migration policy approach might be incomplete. A migration to a net-importer of jobs creates new requires for spending. The costs of housing and transport are structurally higher in metropolitan areas and migrants' workers may incur the costs of deposits, transport and food expenses especially, and of communication with the household(s) they have left behind. Therefore, part of the gross advantage of availing self of urban jobs will be offset by the cost of living of the destination. This aligns with studies on short-term migrants in India and their poor wage outcomes [9] and with general findings that the positive effects of migration are related to the institutional environment people migrate to and through [3,10].

Do not read the results as evidence of the failure of migration to be economically successful. The overall hypothesis presents evidence that 89.8% of the respondents reported increased asset holdings following migration, meaning that a portion of migrants was able to use migration earnings to positively alter their assets. Two points are therefore crucial: that migration can contribute to economic progress and that it blends in a significantly higher cost of living in the city. The policy challenge is how to boost the first effect without compromising the second impact on household welfare.

Inter-correlations in the data between levels of employment, the categories of services, social mobility, and living standards are also high, suggesting that the migrant workers aggregate various opportunities into destination bundles. While actual job is a primary driver of relocation; so are the desires of improved education, health facilities, infrastructure and mobility in Delhi/NCR. This is one reason for why migration can persist despite being in an insecure job is the fact that the destination holds greater possibilities than origin.

7. MANAGERIAL AND POLICY IMPLICATIONS

While for employers, contractors and labour intermediaries, the findings indicate that there are clear limits on decoupling the management of the workforce from pressures on the workers' cost of living. Regular and fixed payments, clearly explained deductions, easy access to affordable housing and transport support enhance retention and alleviate financial burden. Firms that rely heavily on seasonal or inter-state workers must also give written information on wages, the duration of employment, accommodation and statutory benefits in the recruitment phase.

The findings suggest two trends of policy implications. In the first place, less forced migration needs

to be facilitated in source areas through better job creation and access to public services. Employment policy should not deliberately stop rural people from moving to the cities, but it can increase the range of livelihood choices at the city to make the decision to move more consensual. Secondly, the destination must acknowledge migrant labour as an integral part of the regular urban labor force. Reduced cost burden of mobility through portable social protection, affordable rental housing, accessible health care, safe transport and simplified documentation.

Another practical aspect is financial capability. Low-cost bank accounts, remittance facilities, budgeting supports and protections against high-cost informal credit for urban workers may be helpful when they experience a sharp increase in urban expenditure. These are more applicable to cases in which individuals travel with multiple family members and must allocate the costs of the trip between origin and destination transfers to families.

8. LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

The study has employed a non-probability sampling method and is limited to the selected sites of Delhi/NCR; hence, the findings should not be inferred to be statistically representative of all migrant workers within the region. This design is cross-sectional and requires the respondents to report on their prior expenditure. Expenses were reported in general categories only, and this does not allow for exact comparisons of the statistical nature which are possible with specific figures. Continuous expenditure and income data should be collected and remittance from the destination consumption broken out in future studies, especially analysis of housing, food, transport and healthcare expenditures and their sources separately. It would be particularly desirable to conduct longitudinal studies to uncover the tendency for initial urban cost pressures to ease as migrants learn more about the urban area, as they develop local ties, and find more stable jobs.

9. CONCLUSION

Labour migration for material reasons (economic and livelihood) dominates the sample of Delhi/NCR visitors. The closely related motives of employment scarcity in the area of origin, financial instability within the family, hopes that living standards will improve and access to services and social mobility are closely linked. Concurrently, there was an observed increase in monthly expenditure, such that the majority of migrants entered into high spending levels of the urban areas after their migration. These results provide further evidence of the central puzzle of labour mobility: out of labour market activity is a price to the city, but being out of it is what attracts people. Employment expansion policies, if they are able to catch a part of the migration experience, will then only deal with one aspect—employment. A better strategy would tie up labor-market policy and urban social infrastructure so that migration becomes a real way to economic mobility as well as an urban version of a scarcity of jobs in rural areas.

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