Female migrant workers in India during the COVID-19 crisis

How did COVID-19 affect female migrant workers in the formal sector in Karnataka?

Introduction

The Government of India initiated a nationwide lockdown to curb the spread of the COVID-19 pandemic on 21 March. This lockdown mandated the closure of nearly all businesses and factories and restricted intra-country travel with little notice. Many migrants working in the informal sector lost employment. Moreover, the severe travel restrictions imposed during this lockdown stranded thousands of migrant workers (formal and informal) away from home, often in urban centres. Evidence on the experiences of these migrants can shape policy and relief measures to support them.

We leveraged a sampling frame from an ongoing field experiment to explore the impact of COVID-19 on migrants engaged in low-income, formal manufacturing.

We surveyed female migrant workers in Bangalore, Karnataka in April 2020 to understand the impact of COVID-19 on their remittance behaviour, and expectations
about future employment. Our sample comprised of women who work in the formal apparel industry and who continued receiving their full salaries during the lockdown. This sampling frame allowed us to compare data during the lockdown with data from before COVID-19 (November 2019 and March 2020).

We found a large drop in the number of workers sending money home (from 70 percent in November 2019 to 8 percent in April 2020), increased stress about finances, and increased financial strain and food scarcity at migrant homes. Results from this survey add to the growing evidence on how COVID-19 is impacting migrants and their remittance behaviour. Our results suggest that increased cost and economic uncertainty may weigh heavily on these migrant workers despite no disruption in wages. Additional support from the industry and government remains important for this group to help them navigate the uncertainty brought on by the pandemic.

We plan to follow-up with these workers in June 2020 to continue tracking their needs and coping strategies. We hope this data can inform appropriate policy responses for migrants in India and beyond.

Study Context

GBL and IDinsight conducted a randomized controlled trial (RCT) to understand the impact of training female migrants on digital remittances. We conducted a baseline in November 2019 and an endline in February 2020. We conducted a follow-up phone survey of the study participants in April 2020 to understand the economic impact of COVID-19 on study participants. The participants are female migrant workers living in hostels near the garment factories in Bangalore, India. The average age in the sample is 24 years and 95 percent of the women are unmarried. The migrant workers primarily come from the Indian states of Odisha (52 percent), Jharkhand (17 percent), and Assam (12 percent). We surveyed 564 women during the follow-up in April 2020.

Key Study Findings

1. Most workers stayed back in their hostels at the factory during the lockdown due to a lack of time to plan their trip home

The first lockdown was announced on 21 March and fully restricted inter-state travel on short notice. This affected individuals in our sample - 85 percent stayed in their hostels. However, most migrants (69 percent) wished they could have gone back home but did not due to a lack of time to plan the journey back. Fear of COVID-19 only marginally affected decisions - 11 percent reported not going back home due to a fear of spreading (5 percent) or catching (6 percent) COVID-19.
2. The lockdown changed remittance behaviour, with the number of workers sending remittances home dropping drastically

For our sample, sending money home is the primary reason for migration- with 89 percent reporting they sent money home before the COVID-19 pandemic. From our sample, migrant workers on average send 41 percent of their take-home salary. Despite salary payments being made during the lockdown, COVID-19 affected the financial behaviour of our sample. Among migrants who usually sent money home, only 8 percent reported doing so during the lockdown period. There was no difference in the amount of money remitted (~Rs. 3247) compared to the pre-lockdown period. Workers reported increased personal expenditures (62 percent) and a desire to save money for themselves (22 percent) as the main reasons for fewer remittances. A few workers (9 percent) were unable to remit because they could not access their regular remittance channels. This drop in remittance behaviours, despite no disruption in wages, could be for a variety of reasons: a rise in prices due to the lockdown may have reduced real income (due to increased expenditures), workers may be purchasing more to prepare for an extended lockdown or goods shortage, or workers may be saving more today to account for economic uncertainty about their futures. We will explore this further in another follow-up survey with these workers in June 2020.

---

1 70% remitted in the month preceding November’s survey, and 60% remitted in the month preceding February’s survey.
3. **Workers are more stressed during the lockdown**

Most workers are worried about their employment prospects (46 percent) after the lockdown and risk to their personal health once factories reopen (41 percent). Few workers (14 percent) were stressed about their ability to adhere to COVID-19 preventive measures such as washing hands and maintaining social distancing best practices.

4. **As expected, many migrants and their families are facing increased financial strain and food scarcity**

A third (34 percent) of the respondents reported feeling financially constrained while purchasing basic amenities and almost half of them (44 percent) had faced food scarcity since the lockdown. The situation was more worrying for workers’ families in their native homes: 42 percent reported increased financial stress amongst families, and 43 percent reported increased food scarcity.

5. **Digital applications can address some of the barriers to sending remittances during a lockdown**

In November 2019, only 5 percent of workers reported using digital payment applications for remittances. We trained roughly two-thirds of the sample on how to use digital applications in February 2020, which increased usage of digital payment applications for remitting to 14 percent within our sample.

In the pre-COVID period, workers who did not report using digital payment applications were equally likely to remit compared to the workers who reported using digital payment applications. However, post-COVID, workers who were using digital applications for remitting money already were more likely to remit during the lockdown compared to workers who did not use digital applications (19% vs. 6%). This suggests that **digital payment applications can serve as a useful tool for migrants during external shocks (such as the current pandemic), however, prior familiarity and trust in the applications is needed to ensure uptake.**

[www.goodbusinesslab.org](http://www.goodbusinesslab.org)  
[www.idinsight.org](http://www.idinsight.org)