



Institutional Arrangement In Inter State Migration Process: A Case Study of Brick Kilns' Worker of Odisha

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Abstract: Most existing studies on seasonal migration focus either on the determinants and patterns of migration or on the living and working conditions of migrant labourers at their destinations. This study fills a critical gap by examining the institutional processes that enable and reinforce labour migration from rural odisha.

Using primary survey data from Balangir-one of Odisha's most backward districts with a long history of distress-driven migration-the study investigates how multiple institutions shape and sustain the migration system from origin to destination. The findings show that political, social, and economic institutions in the migrants' home villages actively support labour contractors (both primary and secondary) in coordinating and managing migration flows. In particular, the study highlights how village committees, functioning as religious and community-based bodies, play a pivotal role in assisting contractors during the recruitment process.

The econometric analysis reveals a negative relationship between the size of advance payments received by migrant workers and their subsequent debt burden. To analyse these dynamics, the study employs descriptive statistics and a dummy variable regression model to assess the influence of labour contractors in determining the amount of advance payment.

Keyword: Rural Development, Process of Migration, Labour Contractor, Interlink Labour Market

Introduction

Understanding agrarian relations and rural-urban migration, particularly cyclical migration, has become increasingly important in the contemporary period. Studies on migration have highlighted the interlinkage between rural market structures and

seasonal migration in rural India (Breman, 1985; 1993; Brass, 1986; 1990). They have stated that this interlink market is nothing but an interlock market structure, which allows the dominant class in the rural economy to extract surplus or profit from the weaker section. Breman have explained the working conditions of cane cutters and their patterns of mobility in South Gujarat. It has also explained the role and functions of labour contractors in the process of labour migration from the perspective of the destination (Breman, 1978; 1979). Our study elucidates the interconnection between the rural economic structure and seasonal migration through the active involvement of labour contractors as network agencies. So, it has emphasized the role of network agency in pushing people to join the migration system.

Much of the research on migration networks has explained the network as an independent agency that helps the migration system. Granovetter (1973) has argued that strong ties are confined to a small group or community. In contrast, weak ties play a significant role in the development of the network migration system through a feedback mechanism. Wegge, Haug and Stark have empirically proved the importance of the network in the migration process. Wegge (1998) and Haug (2008) have empirically verified that the network has a long-run impact on migration and, in turn, generates labourers who migrate to different sectors of the destination. Jackson has pointed out that the network solves heterogeneous problems, such as risk, uncertainty, asymmetric information, and moral hazard problems, and facilitates the smooth running of the market system (Jackson, 2011). Stark & Jakubek (2013) conclude that migration networks reduce the cost of migration by enabling past migrants to provide financial support to new migrants. (Brawley & Zorita, 2014) This study shows that the network has encouraged migration as a social work practice in the early decades, but in the current era, network agencies are charging fees for their services, particularly for international refugee migration.

To understand the network agency and the interlink between rural economy and seasonal migration, this article investigates the migration process of brick kiln workers from western Odisha, particularly the KBK districts, to brick kiln sites in Telangana, Andhra Pradesh, and Tamil Nadu. The history of migration of workers from Odisha to other states is clear in the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. The Interstate Migrant Workmen Act 1979 clearly starts with the sentence, “In Orissa, Dadan

Labour is recruited from various parts of the State through contractors or agents called Contractors or Khatadars for work outside the State in large construction projects. Once the worker comes under the clutches of the Contractor, he takes him to a far-off place on payment of railway fare only". Recently, the Supreme Court of India warned both the Odisha and the undivided Andhra Pradesh government about the pathetic sub-human condition of workers in brick kilns. Gupta J (2003) points out the unhygienic conditions of work and rampant exploitation of migrant workers in the brick kiln industry. Ghosh also found the same conclusion in the study of child labour conditions in the Brick kiln (Ghosh, 2004). Majumdar found that migrant labourers are working as enslaved people or bonded labourers in the destination (Majumdar, 2015). He also explains the process of migration to brick kilns, but research on the role and functions of different institutions is not adequately studied.

Most studies on seasonal migration have focused either on the decision-making and migration patterns (Keshri & Bhagat, 2012, 2013) or on working conditions in the destination (Majumdar, 2015; Gupta, 2013). Very few have rigorously investigated the process of labour migration (Breman, 1978, 1979, 2013). This study has focused on the roles and functions of the institutions involved in the migration process from the origin to the destination to expand and sustain the labour migration system. This paper starts with an introduction and a review of the literature, followed by a background of the migrant households. The third section includes the roles and functions of the second Contractor and the Contractor in the migration process. The fourth section examines the impact of second contractor involvement on the advance payment decision, followed by a conclusion in the final section.

Methodology

To substantiate the above objective, we have primarily relied on primary sources. The main aim of the study is to target migrant households and related institutions whose data are not available in any secondary sources. So, one of the backward districts of Odisha (i.e, Balangir district) has been selected for our primary survey. In the first stage, data on migrant households were collected through personal interviews using a semi-structured questionnaire.

A total of 63 households were selected through stratified random sampling from four villages in Balangir district, stratified by landholding and caste. Apart

from the primary survey of migrant households, this study has also gathered information from several other respondents, these include labour contractors (five second labour contractors), and two group discussions with members of the village committee. To address the above-stated objectives, it has used simple statistics, such as averages and percentages, in cross-tabulation. To examine the impact of institutional arrangements, the emergence of money, and brick kiln experiences on labourers' advance payment decisions, we have used a dummy-variable regression model. The model has used 'second Contractor help in getting informal credit' as a dummy variable to show the impact of network agency on the amount of advance payment. Land holding, an additional variable representing household wealth, has been used to examine the impact of class differences on the decision to make an advance payment. In a dummy variable regression model, advance payment is the dependent variable, and food expenditure, non-food expenditure, debt amount, brick kiln experience, and land holding, along with the second Contractor's help to get a loan, are the independent variables.

Per worker Advance= F (land holding, brick making experience, food exp., non-food exp., second contractor network/linkage)

IN Model-1: Per Worker Advance= $a+b_1$ Land holding + b_2 Brick work experience + b_3 food Expenditure + b_4 Non-Food expenditure + b_5 per worker debt amount

IN Model-2: Per Worker Advance= $a+b_1$ Land holding + b_2 Brick work experience + b_3 food Expenditure + b_4 Non-Food expenditure + b_5 second contractor mediation in credit (dummy)

Results

Socio-economic profile of survey households

The study has surveyed 63 numbers of labour households; those are migrating to brick kiln industry¹. The following table gives broader understanding about socio-economic condition of surveyed household. The surveyed households are scattered over regular as well as irregular migrant households. About more than 33% households have been migrating every year and about 30% households have migrated 3 or less than 3 years in last 10 years.

1. Out of 63 surveyed households 60 number of households have responded properly, so I am using the 60s' number of households in my analysis.

Table 1: Year of migration across socio economic indicator

<i>year group</i>	<i>No of HH (%)</i>	<i>age of HH head (average)</i>	<i>female/male ratio</i>	<i>SC Caste group (%)</i>	<i>ST Caste group (%)</i>	<i>OBC Caste group (%)</i>	<i>land holding (acres)</i>	<i>land less HH</i>
>=10	20 (33)	41.05	1.20	7 (41)	9 (35)	4 (24)	1.86	11(34)
9-8	5 (8)	39.40	1.80	1 (6)	2 (8)	2 (11)	0.75	3(9)
7-6	7 (11)	37.00	1.71	1 (6)	5(19)	1 (6)	1.33	4(12)
5-4	10 (17)	43.80	0.75	3 (18)	2 (8)	5 (30)	0.78	6(18)
<=3	18 (31)	38.06	1.34	5 (29)	8 (31)	5 (30)	1.74	8(25)
Total	60 (100)	39.50	1.95	17(100)	26(100)	17 (100)	1.49	32(100)

Note: HH- Households, SC- Schedule Caste, ST- Schedule Tribe, OBC- Other Backward Class. Value in parenthesis show column percentage.

Source: Author's primary survey (in 2018, October)

There is no difference in the age of households' heads across years of migration. However, caste is an essential factor in elucidating the year of migration. A higher percentage of SCs and STs are regular migrants; around 50% of SC and ST households have been migrating regularly. In OBC, around 60% have migrated for 5 years or fewer in the last 10 years. However, landholding scattering does not relate to the year of migration.

Structure of Migration

The Contractor and Owner of the brick kiln have created an institutional system to enhance and sustain the labour supply. Let's start with the Owner: most owners are situated near the city of another state; on the other hand, labourers are in rural villages far from the city. How does the Owner know the labourer's interest in migration? It requires some institutional mechanism to manage and sustain the migration process under illegality/extra-legality. So, the Owner has created an institutional system and stage-wise Contractor and Mafia groups during the migration process. The Owner has employed a Contractor based on his confidence and trust to mediate between the labourer and the Owner. Most contractors are based in the local town in Odisha, so it is difficult for them to maintain a continuous supply of labour. To meet the increasing demand for labourers, the Contractor has employed some second contractors. The Second Contractor mediates between the labourer and the Contractor at the original location, and also between the labourer and the Owner at the destination. Between train journeys from origin to destination, the Mafia group has been working to ensure that labourers are unable to get out. To understand the

institutional system, it is necessary to investigate each group's role and function in the migration process (Senguptta & Vijay, 2017).

Characteristics of Second Labour Contractor (Second Contractor)

Who will be the second Contractor, and how will it be decided? Who decides it? To answer these questions, it is necessary to understand the features, characteristics, and role of the second Contractor in the migration process. The position of the second Contractor will be such that he is a 'good person' in the eyes of both the Contractor/owner and the Labourer. Thus, goodwill and trust are essential attributes for a second Contractor. While class-based analysis usually analyses in terms of polarities and conflicts of interest, a second Contractor presents a peculiar agent who must fulfil two opposite objectives simultaneously. He will be a person who facilitates the exploiter in exploiting labourers, while simultaneously, second Contractors are personally helpful and provide care to labour during contingencies. An investigation into such a complex agency will therefore be fascinating. This paper has investigated his socio-economic and political role in relation to migration.

General- The economic and social position of the second Contractor is not much different from that of migrant labourers' socio-economic condition. They usually start their journey as brick kiln labourers themselves; gradually, some labourers become second Contractors, and at the last stage, they could evolve into a Contractor. Second, Contractors are not highly qualified; their average years of schooling are just around 4. However, all of them know Telugu due to regular interaction with the Owner in the destination place (Telangana and Andhra Pradesh). In social status, most of the second Contractors are from the SC and ST categories.

Income source: Second Contractors have four income sources in the source area. They have income from agriculture, forest products and the brick kiln side. From the brick kiln, they have two sources of income: commission from the second Contractor and payment for Makardam/Jaladar (who fire the brick kiln). The average landholding size for second Contractors is about 1.5 acres, and 80 per cent of them purchase after becoming second Contractors. So, Second Contractors are from marginal landholding households, and most of them cultivate for their own consumption purpose.

Assets Holding - Assets and house condition also matter for households' income and consumption patterns. 80% of the second Contractors have a bike. Bicycle and TV are standard for every second Contractor. In housing, they have concrete walls

with tile roofs, but none of the households have toilets or drainage facilities. 40% of them had renovated their house in the last 3 years. All households have their own electric connection.

Consumption pattern: Average monthly consumption expenditure is around 6880 rupees, out of which 50 per cent is on food and the remaining 50 per cent on non-food consumption. In food expenditure, alcohol expenditure contributes around 16 per cent (800 rupees on average). This high alcohol expenditure is due to greater social connections among the labour households' group. In non-food expenditure, cloth and health account for 25 per cent and 35 per cent, respectively. Transportation costs contribute around 12 per cent of their non-food expenditure. This high transportation cost arises because they help labour households in times of need with their bikes and maintain regular connections with different village labour groups.

Relations with Labourer- These second Contractors have excellent relation with migrant labour households. For a labourer, it is the second Contractor whom they can trust in their destination place. To win this trust from labourers, second Contractors are always helping labourers, starting from social relations (marriage, social rituals) to official work (health and police) and economically. Around 70 per cent of households can obtain loans with the guarantee of a second Contractor. The Second Contractor also takes a loan to help labour households; on average, they have taken a loan of 55000 rupees from the informal credit market. Of this loan, they spend 63 per cent on helping labourers, who repay after receiving an advance payment. Under current social conditions, labour is perpetually dependent on second Contractors.

Relation with village elites: Second Contractors also act as mediators between village moneylenders and labourers. One way he is helping labourers get loans during his emergency time is by assisting moneylenders in expanding their businesses. Most of the time, he acts as a guarantor for the loan repayment. So, he can force the labourers to repay the loan after receiving an advance payment on which he acts as guarantor. So, the second contractor mediation in the credit market decreases risk and the default rate in informal lending. Through this intermediary, he has access to generous amounts of on-demand loans, sometimes even at a lower-than-usual interest rate.

Relation with village committee and local politicians: Second, Contractors are also involved in the village committee decision-making process. Firstly, Contractor contributes money to the village committee fund (used for religious

festivals) through the second Contractor. Secondly, due to his good relations with the village's dominant people, his opinion is also given weight in the village committee. Thirdly, the second Contractor has a good connection with the local police. In political relations, he always plays a vital role in local Panchayat elections. In the Pan-chayat election, 1000 votes are enough to win a Sarpancha position. Second, Contractors can easily mobilize their migrant households to vote for a specific person or party in the election. As he provides block votes in the election, the political representatives aspiring for the Sarpancha post always respect him and his word.

If the second Contractor is young, he moves around the local area and creates a big circle of friends. If he is old, he would find his goodwill through his role as a responsible person by helping labour households. Labour households also seek such a thoughtful and responsible person due to the high uncertainty associated with the entire informal contracting process, as well as the risks of work at the destination. The second Contractor takes responsibility for getting them out of that brick kiln if the Owner starts being very violent or abusive. Because of these qualities, the second Contractor acts as a liaison between the labour household on one side and the Contractor and the Owner on the other.

Experience as a labourer: As already mentioned, all second Contractors start their careers as brick kiln labour. On average, much before a labourer is elevated to the position of a second Contractor, he would have 5 years of experience as a brick kiln worker; the actual number of years of experience for this elevation depends on how quickly the labourer picks up and exhibits the qualities mentioned above to the satisfaction of other Contractors and the Owner. They learn labour recruitment skills from their second Contractor, who recruits them into the brick kiln labour market. First, they act as assistants helping to recruit 5-10 Patharis for their second Contractor. After two to three years of such support to their second Contractor, when he can mobilize 20-25 households, he directly contacts the Contractor to work as the second Contractor for labour recruitment.

For this transformation, he needs to work under one Contractor to gain confidence. To develop this confidence in the Contractor, first, he needs to show himself as a leader of a group of migrant workers, and second, the migrant workers must be hardworking and should not run away during the contract period.

Experience as a second contractor: After becoming a second contractor, he must maintain that position for several years before becoming a contractor.

The experience of the second Contractor in this survey is around 6 years. Of the 5-second contractor respondents, two were on their way to becoming full-fledged contractors since 2015. The most essential quality for becoming a contractor is the ability to earn the Owner's trust. If workers recruited by any second contractor are preferred in the Owner's view, the second Contractor can approach the Owner to arrange direct recruitment as a contractor. For the first time, the newly appointed Contractor has also given assurance that he will repay the advance amount if his workers cheat. So, those second contractors who were elevated to contractor status have had to be recognized by the old Contractor to earn the Owner's trust.

Role of the second contractors in the process of migration

The social network activity of second contractors begins soon after the end of one season of brick kiln work. In this sense, merely analyzing the second Contractor as a recruiting agency in terms of its functionality is to miss the whole process that makes this edifice of a recruiter sustainable across different production periods. He connects with people to understand their interest in migration next season and tries to expand his labour catchment. The second work is to persuade households to migrate in the coming season. So, he encourages labourers to receive the first instalment of advance payment to spend on the Nuakhai festival. In the presence of the second Contractor, the Contractor provides funds for the festival (Nuakhai) expenditure, with the assurance that the labourers will migrate after the Dasahara festival. The Contractor called this payment the first instalment of the advance payment. In an earlier survey, about 97 per cent of households treat Nuakhai festival expenditure as their first instalment of an advance payment.

After taking the first instalment, the households are inducted into an informal contract with the second Contractor. So, the second Contractor maintains regular touch with the labourers. This regular touch has two ideas behind it, firstly, to monitor the workers' households so that they cannot cheat, after having received the first instalment and secondly, to gauge the level of exigency with which labour households need money, which helps him gain an edge in bargaining power to reduce the advance amount as a trade-off with timely access to cash. One week prior to the date of migration, rest of the advance amount is paid to the labourer.

The amount of advance payment, therefore, varies across different labour households. The decision about advance payment depends on the requirements and bargaining power of migrant families. The requirement of money works in two

ways. Firstly, it reduces labourers' bargaining power, and secondly, it forces them to demand a larger advance. When labourers demand a higher advance, the second Contractor creates a fear of forced labour for an extended period in the brick kiln. After this threat, if labourer is not prepared to migrate at lower advance amount, then the Contractor provides him with a higher advance amount with two conditions: firstly, to work hard and for an extra time period and secondly, if the household is not able to repay whole advance amount through their work in one season, than the household either return rest money to the Contractor or to continue work in brick kiln up to repayment of advance amount in the next season. Typically, the second Contractor avoids those labour households that demand a higher advance payment.

Just after payment of the total advance amount to the labourer, the Contractor pays some festival fees (Dana) to the village committee (Religious committee) through the second Contractor. This is one type of negotiation with the village committee, a tacit agreement that the village committee would enforce an informal contract between the Contractor and the migrant households. In some cases, the second Contractor gives assurance to pay the amount at the time of the festival. These payments have two significant benefits: firstly, the village authorities permit illegal migration from their village. Secondly, the village committee would treat any workers who ran away from the brick kiln during the contract period as cheaters and therefore criminals. Also, they help the second Contractor to collect an advance amount from the 'cheater'. This payment to the village committee is mostly 100 rupees per worker recruited from the concerned village (also see Senguptta and Vijay, 2015).

Another responsibility of the second Contractor is to obtain permission from the local police for illegal migration immediately after payment of the advance amount. About two to three days before the migration, the second Contractor negotiates with the police to obtain permission for unlawful migration. The police charge 200 rupees per person to allow labourers to migrate without registering with the labour department. Moreover, the police protect the Contractor and the second Contractor if any problem arises against them. Secondly, this also creates a condition wherein complaints about illegal migration from civil society or political groups get ignored.

At railway stations, local mafia groups help the Second Contractor-cum-Makardam ensure that workers do not escape en route to Vijayawada or Vishakhapatnam on one train route, or to Raipur on another. For this work, the organized Mafia charges 30–50 rupees per person. Their main job is to catch

workers who try to get off the train in between, especially during the change of trains. Secondly, if any second contractor does not pay these groups, they threaten him with registering complaints with the labour office and the collector regarding illegal migration. When the train crosses Orissa and enters Andhra Pradesh, it passes through groups of urban Mafias. Contractors have specifically named these Mafia groups in Vijayawada and referred to a Mafia don called Babbulu from Bobbili town. In the Telangana region as well, a local-level Mafia operates as a monitoring agency (also see Senguptta and Vijay, 2015).

At both stations of origin and destination, the Makardam also pays bribes to the railway officials. This payment is generally 100 rupees per person. These bribe payments are highly organized. Once payment is made to any one officer, no other officer asks for further payments; how they communicate and distribute this booty nobody knows. At the destination railway station, the second Contractor's responsibility is to hand over the labourers to the Owner's people. The Owner's people take them in a lorry from the railway station to the brick kiln side.

Benefit to Second Contractor

Throughout the migration process, and before and after it, the second Contractor is a person visible everywhere with the labourer. But the position and role of the second Contractor vary depending on the situation. Before the migration, the second Contractor was helpful to the labourer. At the time of deciding on an advance payment, he acts as an agent of the Contractor. At the time of negotiation with the Village committee, Police and Railway Police, his position is representative of the Contractor. After reaching the destination, on the brick kiln side, he works as a Makardam, an agent of the Owner. For each role and set of functions, he benefits, but we cannot differentiate one from another, as the whole process is interconnected. All benefits are not in direct monetary form; some are in other forms of social value.

Let's first discuss the direct benefits of the second Contractors in the migration process. The foremost clearly visible benefit is commission income, which is around 1000 per Pathari, so the average commission income per second Contractor is 35000 rupees (35 Pathari X 1000 rupees commission). Moreover, the second direct benefit for the the second Contractor-cum-Makardam is the amount he earns as a Makardam, mostly 30000 rupees per season of work. There are some other economic benefits he gets, but not directly; instead, he cheats the police and the railway officer. The second Contractor pays 200 rupees per person to the police, so

he charges it from his Contractor. However, he cheats the police by undercounting the number of labourers migrating under him, and the police never come to count them either. In the survey, it was found that this cheating is around 2/3 of the the actual migrant labourers. So, in my survey data, the total number of labourers who migrated under a second Contractor is around 105 (35 Patharis, 3 members per Pathari). The average income of second Contractors who cheat the police is around 7000 rupees (200 tips amount X 105 number of labourers X 1/3 cheating share). The second Contractor-cum Makardam, in the same way, cheats the railway officer also. This is possible only because railway officers cannot enter the general compartments of railway coaches. From railway cheating, the second Contractor's income is around 3500 rupees. The second Contractor is also not taking tickets for children under 14 years old, but they are included in the labourer group, and he charges the Contractor for the ticket cost of these child labourers. Other direct benefits to the second Contractor-cum-Makardam in the destination place are high weekly allowances and regular drinks money. The second, Contractors have some other benefits due to their position in village society. The economic benefits to the lender, social power in the village committee, and political power in local elections are explained elsewhere in this paper.

Characteristic of Contractor

As per the Interstate Migrant Labour Act, the district labour department should have a record of all the migrant workers and their associated labour contractors. The State government had granted 3,046 licences to labour contractors who recruited 1,18,451 labourers as interstate migrant workers in 2018 (State Labour Office, Odisha). In my study district, the labour office issued 276 licenses to 139 contractors; on average, 2 licenses were issued per Contractor in 2017. There are three contractors with more than 10 licenses and intermediate experience in migrating an average of 1,400 labourers. It clearly explains the lawful of district labour officer in issuing labour licenses.

We have categorised these labour contractors into three groups based on their past work. The first group of contractors evolved from brick kiln work, the second from a mafia group working on different trains, and the third from local politicians. Each group has its own reasons and history for evolving. The first group, those who have evolved from brick kiln workers to the contractor stage, are mainly from SC castes and are in the Belpada block and its surrounding areas. For the first time,

some Dalit families of Belpada started migrating to the brick kiln in 1965. Among these Dalit groups, the person who first contacted the Owner became a contractor. First Contractor is due to the first-time move benefit. When demand for labourers increases, the Owner appoints more contractors on the recommendation of the old Contractor. Secondly, no Contractor can manage many labourers. And the old Contractor recommends his relatives and close friends to become Contractors. So, the most necessary condition for growing as a contractor is having a good relationship with an old contractor, and the sufficient condition for becoming a contractor is the ability to manage labourers.

The second group of contractors is composed of mafia groups working on trains. The workers are migrating to other states (undivided Andhra Pradesh) by rail. First, in some periods, Mafia groups created problems for labourers, and second, contractors demanded money from the second Contractor in return. It happens at every railway station, from the ticket counter to the destination station. Moreover, secondly, some of the workers also get out of the way to the destination. To solve this problem, Contractor and Owner enter into a contract with powerful mafia groups. Under that contract, contractors pay a fee (30-50 rupees in 2013) per worker to the Mafia leader to protect their second Contractor from other Mafia groups and to catch labourers who try to get out of the way of their destination. For this activity, Mafia group leaders have contacted the Contractor, the second Contractor, the labourer in Odisha, and the Owner at the destination. After gaining the Owner's trust, Mafia group leaders have evolved into contractors. These types of contractors are primarily located in Lathor and the Kantabaji area. This regional specificity is due to the railway station's location.

The third group of contractors is composed of local politicians. The Owner comes to Odisha once or twice, mostly to Kantabanji (a small town in Balangir district), to pay an advance to the Contractor. So, they generally come with a considerable amount of cash and, to protect it from theft, require strong connections with local politicians. Some Muslim and Sikh residents of Kantabanji control local political power. In this process, some Muslim residents of Kantabanji contact the Owner and contractors. Secondly, because they protect the owners, it is very easy for them to gain the owners' trust. In the contractor list of Balangir district, around 14% of contractors are from the Muslim community, holding 12% of licenses. So, the necessary condition is that the person must have the Owner's trust. This is possible for the second Contractor only through the reference of a contractor. Instead of

the second Contractor, the relatives of the old Contractor have now evolved as contractors.

Role of the Contractor in the migration process

The study has collected information about contractors through structured interviews with second Contractors. These second Contractors are agents with a vantage point that provides deep insights into the Contractor's activities. The information gathered is both reliable and valuable for two reasons: first, the second contractors will be contractors in the future, and second, these second contractors are also agents of the Contractor. The Contractors have the power and capacity to manoeuvre various institutions by employing multiple strategies to nullify legal hurdles. The Contractors have two important jobs to do: first, to build strong relationships with officials at various levels of government and owners in brick kilns; and second, to increase the number of efficient second Contractors to enhance the supply of labourers.

The role of the Contractor in this process of inter-state migration is to appoint as many efficient second Contractors as possible, depending on the licenses he possesses and his managerial capacity to migrate workers illegally through manoeuvring strategies. The objective of this process is to provide reliable, efficient labourers and to win the confidence of brick kiln owners. So, the strength and capacity of a big Contractor can be checked from the number of second-tier Contractors working under him.

The second work of the Contractor is to manage the labour officers. To approve the licence of a labour contractor, the Contractor must obtain a demand order for labourers from any owner through the Owner's district labour officer. On that basis, the origin district labour officer issues a permission order to the Contractor to migrate only the verified number of labourers under him. It is only the formality to show, but how many labourers are migrating under any Contractor is very difficult to know. Most of the licenses have been used multiple times during the migration process.

The Contractors are also giving loans to their workers with the assurance that the labourers will repay the amount through migration. In this loan payment, the second Contractor acts as a middleman and partly guarantees on behalf of the borrower, a deemed migrant household. About 19 per cent of households among total borrowing households have taken a loan from their Contractor at a lower-

than-market interest rate if the borrower repays the amount through migration. Otherwise, the Contractor will charge a rate above the market interest rate.

The Contractor pays the first instalment of the advance payment to the labour households during the Nuakhai festival. The second Contractor is acting as mediator for this payment. The Contractor also pays part of this money out of their own pocket, and their connected owners pay the remaining amount. The final instalment of the advance amount is paid just one week before migration. Throughout the payment process, the labourer first asks for money, and the Contractor pretends to lack it and then claims to be gathering it with incredible difficulty. In such interactions, the Contractor inquires about assurances of good work at the brick kiln. Goodwill and an obligation have been created amongst the Contractor's workers by the Contractor himself.

After this advance payment, the Contractor appoints either the second Contractor or any other person as Makardam, who is responsible for migrating labourers to the owner's place, providing all information about the labourers at the brick kiln, and pushing the workers to work hard. After this final advance payment, Contractor is paying 1000 rupees commission per Pathari, travelling expenses (general compartment ticket plus 100 rupees for food), and other management expenses (village committee, police, railway police/officials, Mafia, etc.) to the second Contractor.

On the day of labourer migration, the Contractor or his people come to the railway station to see whether all the advance-paid labourers are migrating or not. There is very little time the worker interacts with their Contractor. About 30 per cent of households list a second Contractor as their Contractor. Only the head of the household knows the Contractor; none of the women members see or interact with the Contractor. Contractor never goes to the brick kiln side. If any conflict happens, he asks this Makardam to negotiate and solve it. In some cases, he talks with labourers to suppress them and negotiate for the problem.

The benefit of the big Contractor

The Contractor has earned only direct commission income during the migration. He earns two ways, firstly, the income is not commission, rather it is a payment for transporting the workers. The Contractor receives 3000 rupees per migrant worker as transiting expenditure from Owner (in 2018). Out of this amount, the second Contractor gets 1000 rupees per pathari (330 per person) as his commission.

Around approximately 1000 rupees paid (200 rupees to Odisha police + 100 rupees of railway police/officials + 200 rupees to village committee + 50 rupees for Odisha based Mafia+ commission of 100 rupees paid to Mafia across the border of Odisha beginning from Raipur or Vijayawada + 270 rupees for general compartment train ticket + 100 on food expenditure per worker) and rest of 1600 rupees per person take out by Contractor from transportation expenditure.

The second part of commission is commission to the Contractors based on the number of bricks made by his migrant workers. This commission is 20 to 30 rupees per 1000 brick molds by his migrant labourer in 2013. On an average, each worker molds 90000 bricks, so that Contractor's commission is around 1800 rupees (90 x 20) per worker. So, total net income of the Contractor is around 3300 (1800 commission + 1500 extract from travelling expenditure) rupees per worker migrating under him.

Risk in second Contractor and Contractor activity

The only risk that second Contractor and Contractor have stated to be 'cheating' of labourers. From primary survey of Second Contractor, it is clear that percentage of cheating is around 2.5%, which is so less as compared to income of the Contractor and owner from brick kiln work. This low interest rate is due to personal control over labourer through second contractor, village committee, Mafia group. Table 2 has mention about the risk in loss of amount and 'cheating' of worker.

Table 2: Risk and "cheating" of worker

No. of second contractor interviewed	Per head average no. of worker migrating	Per head average no. of worker cheated	percentage of worker cheated	Total amount paid to cheated worker	Total advance amount paid by cheated worker	Total advance amount of cheated worker paid by second contractor
5	88	3	3	12.7 lakh	2.25 lakh	4.45 lakh

Source: Author's primary survey, 2018

Impacts of institutional arrangement on Advance payment decision

The above section mostly concentrates on arrangement of social and political institution to control over labourers. This section explains about the impact of network agency (labour contractor) on worker income from brick kiln work (i.e.,

advance payment). The second Contractor knows the economic and social condition of labourers and helps 70 percent of labourer to get a loan. So, on one hand, second Contractor knows the emergency of money of labourer and on the other hand, labourers are interlocked with second Contractor as he acts as guarantor for their loan. Both the above causes i.e., emergency of money and interlocking of labourers are enough opportunity for second Contractors to decrease the bargaining capacity of workers in the advance payment decision process. Even most of labourers have never argued with Contractor to get more advance payment². The study has tried to prove the impact of network agency over advance payment through the use of labour household's data collected through field survey. This empirical part is mostly trying to explain the decision of advance payment process through dummy variable regression model.

Table 3: Regression result (Number of observation -60)

Variable name	Model-1	Model-2	Mean	SD
constant	13157.73* (14.90)	13265.69* (14.17)		
Land ownership (in acre)	520.78 ** (2.22)	331.27 (1.47)	0.84	1.48
Experience (years)	33.97 (0.65)	54.07 (1.06)	8.38	6.19
Monthly per capita Food Exp.	3.69** (2.42)	3.78** (2.52)	640	267.01
Monthly per capita Non-food Exp.	-4.54** (-2.57)	-4.15** (-2.34)	587	244.79
Per Worker Debt	-0.20***(-1.91)	--	3528	3201
Second contractor Help	--	-1429.17** (-2.24)	29-help	
F	2.92**	3.25**		
Adjusted R ²	0.14	0.16		

Source: author's primary survey, 2018

Notes: (***) at 10% level significance, (**)—5% level significance, (*)-1% level significance. Figure in the Parenthesis show the value of t-statistics.

Expected sign of variable coefficient, mostly the emergence of money as food expenditure, non-food expenditure and debt amount and second, Contractor helps to get a loan (dummy variable) should have a negative relation with the amount

2. This study mostly focuses on advance payment, because it is only payment they received as income. Breman (1996) The Halpati required big sum amount of money in Wedding purpose, which they only can get through advanced payment or through debt and they migrate to repay the amount.

of advance payment. Households with greater financial emergencies are ready to migrate with a lower advance payment. The second Contractor's help in obtaining a loan is more informative about the labourer's debt to the second Contractor. Secondly, labourers are interlocking with the second Contractor, as he acts as a guarantor for their debt. Rest variables, including landholding and experience of brick kiln workers, are expected to have a positive relationship with the advance payment. Because more landholders have a higher option of livelihood and bargaining power, and more experienced workers have more knowledge of the brick kiln system and the amount of advance payment.

In the above two models, household land ownership and workers' experience have insignificant impacts on the advance payment amount. In contrast, the emergence of money and institutional arrangement variables have significant implications for the advance payment amount. The second Contractor helps obtain a private loan for the worker, and the per-worker debt amount variable is individually substantial in model 1 and model 2, respectively. So, the second Contractor's help and debt amount have an individual effect on the advance payment decision process, decreasing the advance payment.

Except per capita food expenditure coefficient sign, all other variable coefficient sign is expected. The per capita food expenditure coefficient is positive, indicating that the advance payment amount increases with per capita food expenditure. It may be due to the minimum requirement expenditure impacting the advance payment. Per capita nonfood expenditure and debt levels negatively affect the amount of the advance payment. Households with higher per capita nonfood expenditures are receiving smaller advance payments.

The debt amount represents a worker's emergency need for a lump-sum payment, as they need to repay the principal and 10% interest per month. So, the worker requires money at any cost, which is a golden opportunity for the second Contractor and the Contractor to decrease the advance payment. The second Contractor's help to get a loan also has a negative sign, as expected. It explains that households that take loans with the help of a second Contractor are worse off than those that borrow directly. It is also evident from the data that money lenders are providing large loans (mostly more than 10,000 rupees) to borrowers, either through their linkage or through second Contractors' guarantees. As the second Contractor acts as a guarantor for his loan, the worker is now tied to the second Contractor.

Model Specification

Neither model has a multicollinearity or heteroscedasticity problem. Appendix 1.1 shows the VIF (variance inflation factor) values, which are used to assess multicollinearity in the model. The average VIF is less than 1.5, indicating very low multicollinearity among the independent variables. Appendix 1.2 shows the Bruesch-Pagan test for homoscedasticity. In the Bruesch-Pagan test, the null hypothesis is that the variance is constant (homoscedasticity). The Bruesch-Pagan test fails to reject the null of homoscedasticity in both models. The F-statistic is significant at the 5 per cent level in both models, suggesting that the models are statistically significant.

Conclusion

Migration from western Odisha to brick kilns is not a current phenomenon; instead, it has persisted since the mid-1960s and has intensified significantly. The paper investigates the social, economic, and political institutional arrangements through the second Contractor and Contractor involvement. Politically, all second Contractors control local politics, as they can monitor the votes of their migrant workers in exchange for employment and other benefits. Socially, a larger share of social conflicts is managed by the village committee and the religious institution, to whom the Contractors pay a fee based on the number of migrant workers. The village elites are ignoring migration, as they have benefited from moneylending, which is expanded with a lower risk of repayment due to the mediation of the second Contractor.

In economic issues, each institution, starting from the second Contractor to the mafia groups in train journeys and village elites, is economically well off due to the migration process. The contractor groups always try to reduce the advance amount for labourers, not only for economic gain, but also to help sustain the migration process. The Contractor always maintains the amount of advance payment to prevent the labourer from generating surplus from migration. The labourer's need to borrow to consume during the agricultural season forces them to take an advance payment to repay their debt, and the cycle of migration will continue. Poor households with more debt, and that debt, with the help of a second Contractor, have loosened their bargaining power at the time of the advance payment decision. So, they receive a smaller advance payment and cannot generate a surplus from brick kiln work. Now, again, they require debt for consumption and enter the cycle of migration.

Appendix

<i>Appendix 1.1: Correlation test through VIF</i>		
	<i>Model-1</i>	<i>Model-2</i>
Monthly per capita Food Exp.	2.01	2.08
Monthly per capita Non-food Exp.	1.77	1.77
Land ownership (in acre)	1.29	1.23
Per Worker Debt	1.19	—
Experience (years)	1.12	1.10
Second contractor Help	—	1.14
Mean VIF	1.48	1.46

<i>Appendix 1.2: Breusch-Pagan / Cook-Weisberg test for Heteroscedasticity</i>		
<i>Ho: Constant Variance</i>	<i>Model-1</i>	<i>Model-2</i>
chi2(1)	1.52	1.46
Prob > chi2	0.2173	0.2268

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