

- Collapse of mini-economies: Mini economies which sustain labour supply in urban centres as well as add to the aggregate demand in the overall economy faced major blow due to exodus. E.g. Tea shop outside private offices which catered demand in the urban centre generated demand in the distant rural areas by remittances of money, which completely closed due to exodus.
- The establishment of local ancillary service economies is not automatic. They rely on a critical mass of migrant workers in order to ensure profitability. If there is enough number of customers, then the street vendor finds it profitable to sustain his service. After the reverse migration, their incomes would be adversely affected.
- High cost of labour in comparatively industrialised and manufacturing states: The networks of migrant labour supplemented local workforce and plugged regional resource gaps to expand the productive capabilities of the region. Without them, this ostensibly demands problem might turn into a supply bottleneck too.
- High input cost in manufacturing states will wipe out profits of businesses which will reduce the export potential eventually.
- Production delay: The aggregate growth in GDP relied on high growth industrial or trade centres which spearhead production and generate momentum for the rest of the economy. The lockdown strips these centres of their capability and threatens India's overall macroeconomic stability.
- Stress on MSMEs: Now parts of the economy which seemed to have the capacity to pause during the lockdown would experience a strain eventually due to their linkages with the SME's. Unable to obtain ancillary inputs, the larger enterprises will end up with a clogged value chain. This is the domino effect of an unanticipated demand drop which permeates into a general adverse effect on the overall economy.
- Socio-economic inequality: when the poor become poorer, there can be serious long-term impacts on economic growth. Studies have shown that one of the main mechanisms through which inequality affects growth and development is by limiting educational opportunities for children from poorer backgrounds, reducing their prospects for social mobility and breaking out of caste-based occupations. With remittances no longer flowing to rural areas, for the time being, the poor will struggle to invest in education and other ways of enhancing their children's life chances.

Problems of Inter-State migrant worker

- Sudden announcement of lockdown left them unprepared for it.
- Contrary and uncoordinated government orders caused confusion (Ex: Delhi migrants)
- Dire situation with no work, money or food
- Harassment at the hands of house owners
- Lack of political voice due to their migrant status
- Anxiety about the survival of their families back home
- Physical distancing for the unorganised sector is difficult in India given the realities of high density human settlements (Ex: slums)
- All the above factors lead to their mass exodus from urban areas to their homes often by foot due to suspension of Transport facilities.

Challenges for the Government

1. There is no platform for a short-range and long-range thinking about the issues of migration.
2. There is no systematic effort to collect data on various migration streams and to understand vulnerabilities and policy demands of specific migrant streams.