



LINKING MIGRANT WORKERS TO LIVELIHOODS THROUGH DESH-STACK

July 2022

Acknowledgements

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CONTENTS

1	Executive Summary	05
2	Migrant Workers Depend on Blue-Collar Jobs in The Unorganised Sector	06
3	Database for Enumeration of Migrant Workers is Unavailable to Stakeholders	06
4	Challenges Faced by Workers Migrating for Livelihood	08
5	DESH-Stack Interventions that Address Ecosystem Issues	10
6	Conclusion	12
7	References	13



Executive Summary

Although news and social media showcased poignant stories of migrant workers returning to their places of origin on foot during the nationwide lockdown in 2020, they have largely been neglected. The inflow of migrant workers in urban centres has been absorbed by blue-collar jobs primarily in the unorganised sector. However, limited mobility across unorganised sector jobs and lack of social security benefits threaten the sustenance of migrant workers in urban areas.

An asymmetric labour market, limited opportunities for upskilling, combined with the inability to access entitlements in the destination city due to lack of proof of identity magnify the challenges faced by migrant workers. Moreover, absence of credible and comprehensive data on their demographics and occupational trends prevents the design of targeted policies.

The Digital Ecosystem for Skilling and Livelihood (DESH) Stack eportal, announced in the Union Budget 2021-22, aims to address some of the challenges faced by migrant workers. The eportal has the capabilities to facilitate skilling and employment for blue-collar migrant workers through digital credentialing and job discovery. Migrant workers can use the DESH-Stack to obtain digitally verifiable credentials to establish proof of work and secure new jobs. Linking the DESH database with government and private databases will help plug existing gaps in the enumeration of migrant workers, thus enabling the design of effective policies. Through various use cases, this perspective explores the applications of the DESH-Stack for migrant workers, employers and NGOs, and its potential in addressing prevalent bottlenecks in the ecosystem. It also explores the role of philanthropic organisations in enabling this shift by engaging with other stakeholders and facilitating the digital credentialing mechanism.

Migrant Workers Depend on Blue-collar Jobs in the Unorganised Sector

Over the years, rural distress and unbalanced growth in India have contributed to villagers moving to cities in search of a better life. Kamlesh is one such person who, along with his wife and son, migrated from their drought-prone village in Rajasthan to Delhi to work on a construction site. He found the job through a friend in the village who moved to the city two years ago. Despite being a 'contractual labourer', Kamlesh never received a written contract and was paid less than the stipulated minimum wage for the first month. Due to financial distress, his wife took up a cleaning job in the towering apartment building opposite their unauthorised colony, which is home to many other migrant families. Due to lack of local identification documents, his son cannot obtain admission to a local government school, and the family cannot afford to send him to a private school. Without access to clean water, electricity or toilets, Kamlesh often contemplates moving to another state but fears that he may not find a job in a new location without social connections.

Typically, semi-skilled and low-skilled migrants work in the unorganised sector, which employs over 94% of the workforce (Mukherjee et al. 2013). Estimates from the 2011 Census of India indicate that 175 million workers migrated within India for blue-collar jobs in the unorganised sector. Internal migrants are engaged in diverse occupations including in construction, manufacturing, driving, security services and domestic work (Ghosh 2019).

The pattern of migration in India is generally of two types: the first being long-term migration which involves the resettlement of an individual or household, and the second being short-term, seasonal or circular migration, which implies to and fro movement between a source and destination (Keshri & Bhagat 2010). These workers often lack recognition due to the employment being contractual or informal in nature. Limited mobility across unorganised sector jobs and the lack of an urban employment guarantee programme further threaten their sustenance in urban centres (Kapoor 2020).

Database for Enumeration of Migrant Workers is Unavailable to Stakeholders

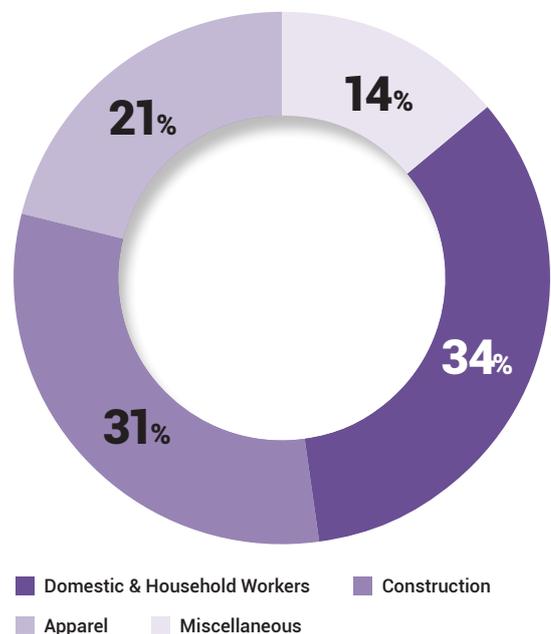
The ecosystem of internal migration includes government, sending regions, receiving regions, employers and trade unions. Each of the stakeholders plays an important role in the transition of migrant workers to an urban centre, yet remains ill-equipped with a database to understand the underlying issues in internal migration:

Government

Since the majority of migrant workers are employed in unincorporated and informal enterprises, the Ministry of Labour and Employment (ML&E) proposed to develop a National Database of Unorganised Workers (NDUW) to address current gaps in data collection (ML&E 2021). The database seeks to understand the scale and nature of migration, identify demographic characteristics of migrant workers, and understand migration corridors and occupational trends among migrant workers (International Labour Organization [ILO] 2020). Launched in August 2021, the e-SHRAM portal is a centralised database for enumeration of migrant workers in the unorganised sector including construction, agriculture, gig and domestic work. Nearly 82.6 million workers in non-agricultural occupations are registered on the portal. A majority of the workers are employed in domestic work, construction and the apparel industry which are also sectors with a high proportion of migrant workers.

The National Commission for Enterprises in the Unorganised Sector (NCEUS) is another key government stakeholder on issues related to migrant workers. A report by the commission emphasised the need for reform in legislation governing the employment of migrant workers to ensure fair payment of wages and social security provisions (Ministry of Micro, Small and Medium Enterprises [MSME] 2009).

Figure 1: Sector-wise distribution of unorganised sector workers in non-agricultural sectors



(ML&E 2022)

Sending Regions

Blue-collar workers generally migrate to urban centres due to lack of employment opportunities in non-farm jobs and rural distress in their state of residence (Iyer 2020). Sending regions lack reliable databases on migrant workers and the nature of migration. This absence of information leads to challenges in meeting employment needs, especially among migrant workers who often migrate in the short term and depend on local employment for the remaining year (Ministry of Housing and Urban Affairs [MoHUA] 2017). Additionally, migrant workers seek employment outside the resident state because they lack information on the availability of hyperlocal opportunities suited to their skills.

Receiving Regions

The issue of migrant databases persists in the receiving areas, which are often urban centres wherein the governance lacks focus on migrant workers. The migrant workers'

crisis during COVID-19 lockdowns is an example of the adverse impact of the lack of enumeration and policies designed to ensure welfare delivery (Paliath 2021). Identifying targeted cohorts of migrant workers is challenging in the absence of a unified database. While the e-SHRAM portal seeks to enumerate migrant workers to ensure social security, a unified database also needs to help migrant workers identify employment opportunities in receiving regions.

Employers

Employers in the unorganised sector prefer hiring migrant labour as it helps them reduce the cost of maintaining the labour force. The major employers include sectors such as construction, domestic work and the apparel industry. There is low accountability on the part of employers in the unorganised sector to provide security and fair wages, leaving little room for migrant workers to negotiate. Employers hire migrant workers to avoid engaging directly with the worker as the negotiation is often mediated through a contractor (Shah & Lerche 2020). As a result, the employment of migrant workers in its current form restricts mobility across jobs and prevents migrant workers from negotiating wage payments.

Trade Unions

Migrant workers generally lack the means for collective action, further exacerbated by the contractual nature of their employment. As a result, they seldom have access to trade unions or workers' collectives in their work destinations (ILO 2020).

Challenges Faced by Workers Migrating for Livelihood

Information asymmetry on employment opportunities

Migrant workers generally use their informal social networks to access means of livelihood. They tap into familial ties, neighbours, and contractors providing information on livelihood opportunities in urban centres. A survey by CMIE (Centre for Monitoring Indian Economy) and NSDC (National Skill Development Corporation) states that only 15% of workers with vocational training were placed through training partners, while the remaining found jobs through social and informal networks. Typically, job opportunities arising from informal networks require low-skilled workers. While networks play a significant role in providing job opportunities, information is limited to the social capital of a migrant worker. Since jobs are often sourced through informal networks, workers are restricted to the wages provided and often find it difficult to raise their pay unless they diversify their networks (Mitra 2010). The information asymmetry is prevalent even at the local level, as job seekers are often unaware of jobs that may suit their skills in adjacent areas. Lack of hyperlocal information on job opportunities leads to poorer matches, often resulting in workers relocating to other districts and states (MoHUA 2017).

Creation of new identity

Documentation authenticating the identity of citizens is essential to access rights and entitlements provided by the state. Migrant workers often face issues in establishing civic identity in receiving regions. This excludes them from their entitlements to government services including subsidised health services, education, food and fuel, aimed at economically vulnerable sections of the population (Srivastava 2020). Without a unified database, migrant workers can only access their entitlements in their native state or sending region. Research indicates that seasonal migrants face difficulties in accessing entitlements and claims even in their areas of origin. While the government recognises the need to identify migrant workers and has thus incorporated beneficiary cards and registration in some schemes, this does not ensure the portability of benefits (Khandelwal n.d.). As a result, migrant workers can only access their entitlements in their native states.

Difficulty in accessing government skilling programmes

The migrant workers' crisis during COVID-19 that led to reverse migration brought several key issues to the forefront, including those around information asymmetry and workers' identity. The Central and state governments initiated several schemes such as the Pradhan Mantri Garib Kalyan Yojana, Aatmanirbhar Bharat and Pradhan Mantri Garib Kalyan Rojgar Abhiyan to address these problems. At the state level, skilling and employment initiatives such as the Mahajobs portal in Maharashtra link migrant workers, job seekers and entrepreneurs to reduce the demand and supply gap in the labour market.

Despite its initiatives, the uptake of government-run skilling programmes has been slow among migrant workers. The Centre launched an initiative in November 2020 to upskill 3 lakh migrant workers through short-term training courses and recognition of prior learning. *The Standing Committee Report 2022* by the Ministry of Skill Development and Entrepreneurship (MSDE) indicates that only 1.25 lakh candidates have been trained and certified (p.25). It attributes the low uptake to seasonal migration, wherein migrants in the source state return to their place of origin. Since skilling initiatives are primarily state-led, portability of benefits is often restricted, leading to incomplete certification. Other issues in accessing government-run skilling schemes include lack of information on eligibility criteria, the nature and the means of accessing the scheme. The multiplicity of schemes requires a unified approach to reduce the costs for migrant workers to search and access government schemes.

Opportunity cost of wages foregone during formal training

The development of migrant workers' skills requires them to allocate time and finances for training. Workers often lack adequate information on available training opportunities, and career counselling on training programmes suited to their profession and skills. According to NCEUS, most training programmes have inflexible durations and eligibility criteria, making it difficult for migrant workers to dedicate time for training since they would have to forego the daily wages during the training period. A study based on NSS 68th Round (2011-12) indicates less than 4% of workers in the informal sector have undergone formal vocational training (Sheikh & Gaurav 2020).

Financial shocks due to seasonal migration

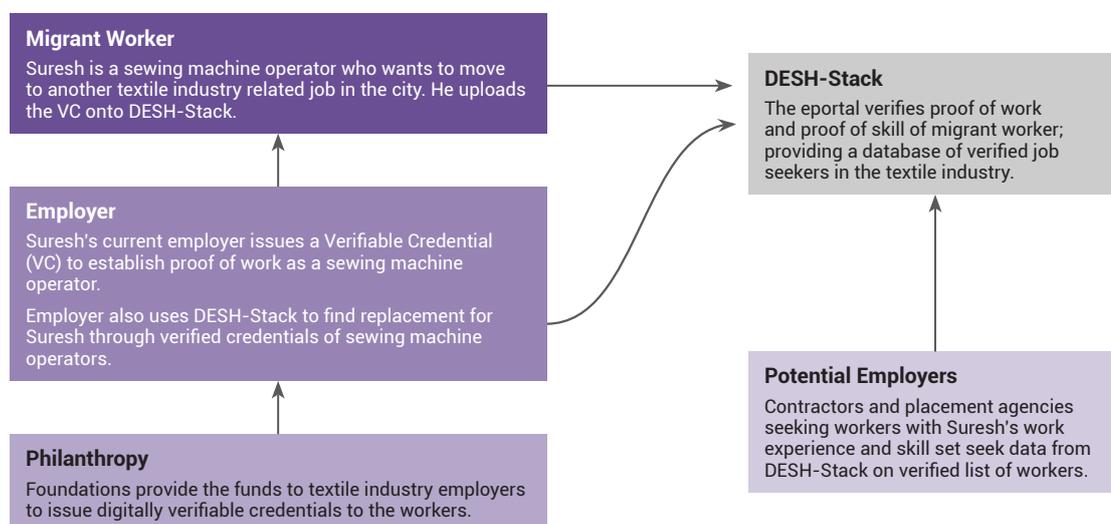
Since most migrant workers are employed in the unorganised sector, they have erratic incomes and lack access to financial services, including suitable savings instruments (Kulkarni 2012). To deal with cash flow volatility during unemployment, workers either take advances in exchange for future labour or borrow from family, friends and informal moneylenders. This places them in debt throughout the year with no provision for savings for future emergencies. There is a need microloans for seasonal and circular migrants to adjust their cash flows in light of seasonal income, and to help deal with economic shocks during the period of unemployment.

DESH-Stack Interventions that Address Ecosystem Issues

Use Case 1: Migrant Worker

Suresh is a sewing machine operator engaged in a textile manufacturing firm in an urban centre. He has worked for two years with his current employer and wants to move to another job for better wages and working conditions. In the current job market, he does not have adequate information on alternate employment opportunities in other textile factories in the location and lacks proof of his work. Using digitally Verifiable Credentials (VC) can help him acquire digital signatures of current employers to establish proof of work done with the factory. The VCs issued by the current employer can then be uploaded onto the DESH-Stack eportal to verify the authenticity of the credentials. The verified profile is then fed into a repository of verified workers, which can be used by potential employers looking for workers with a specific skill set. This provides a portal for him to look for existing job opportunities suited to his skills as a sewing machine operator.

Figure 2: DESH-Stack for Migrant Workers

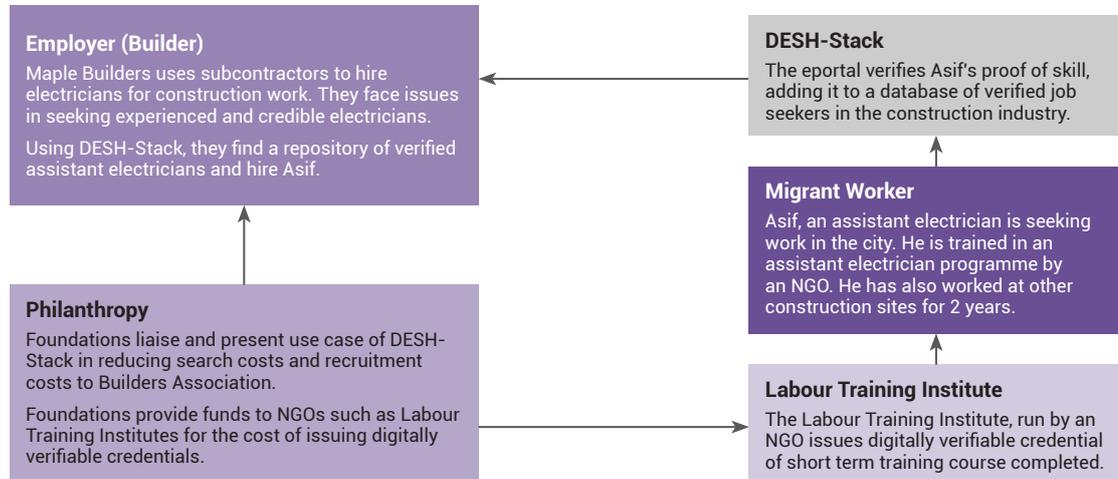


Use Case 2: Employer

Maple Builders, a construction company, uses subcontractors to hire electricians. They often face issues in getting experienced and credible electricians. Further, high attrition rate necessitates a mechanism to speed up the process of verification and hiring. While the construction industry predominantly hires workers through subcontractors, philanthropy can present the economic viability of using DESH-Stack through reduced search costs and recruitment costs for the companies. Philanthropy can engage with the Builders Association of India and Contractors Council of India to demonstrate the economic viability of using DESH-Stack to reduce search and recruitment costs in addressing the demand for labour.

On the supply side, Labour Training Institutes can issue digitally verifiable credentials to electricians completing short-term courses with them. Asif, an assistant electrician, trained by one such institute, can produce his proof of skill by uploading his VC on DESH-Stack. Under the current setup, private training institutes have no standardised certification format, raising questions about their authenticity. Using certificates with digitally verifiable credentials will help Asif establish the credibility of his skills as an electrician. Through the DESH-Stack repository, construction companies such as Maple Builders can then access verified profiles of electricians, reducing their verification costs and speeding up the hiring processes.

Figure 3: DESH-Stack for Employers



Use Case 3: NGOs – Integration of migrant worker database (private sector, NGOs)

The enumeration of migrant workers is a key challenge towards identifying the nature and scale of migrant issues. The database on migrant workers comprises both government and private sector databases. The government database includes migrant workers' estimates in the Census 2011 data, National Sample Survey and the Periodic Labour Force Survey. These estimates are often dated and do not provide information on source state, destination state and the level of skill of migrant workers. Through the e-SHRAM portal, the Government has initiated the enumeration of unorganised workers (who are mostly in the unorganised sector), helping to understand their proportion. A worker can register on the portal himself or seek assistance through a common service centre. E-SHRAM registration thus depends on

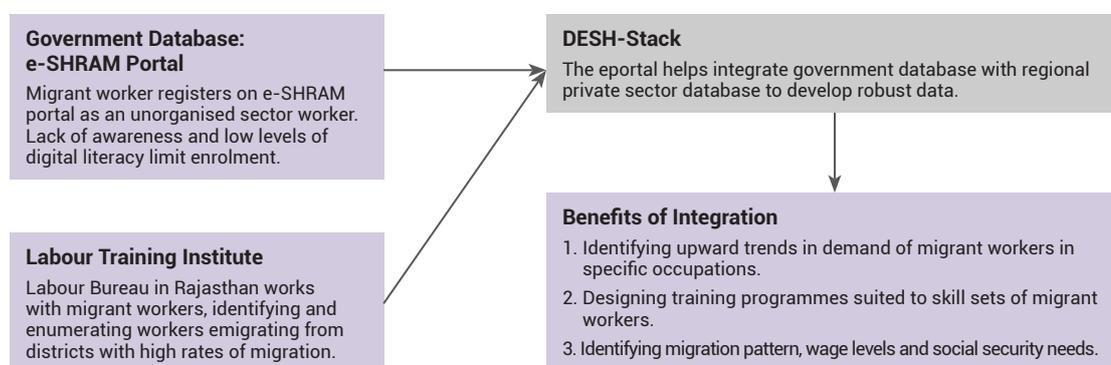
DESH-STACK FOR MIGRANT WORKERS

access to Common Service Centres, or the level of digital literacy among migrant workers.

Private sector databases include information about civil society organisations and NGOs working with migrant workers to help enumerate information on the nature of work, the source state and the destination state. For instance, an NGO in Rajasthan issues ID cards to migrant workers which serve as proof of identity in destination states to help open bank accounts and reduce the burden of establishing identity. The NGO works in districts with high levels of outmigration and thus has robust data on migrant workers in the state (Khandelwal n.d.). Since the ID only works in destination states where the NGO is present, the database has limited use. In order for this data to be turned into actionable information, it requires integration and verification with a centralised government database. This can also help plug gaps in enumeration under other data collection methods such as the e-SHRAM portal.

The DESH-Stack eportal helps integrate private and public sector databases on the skills and employment of migrant workers. This can help identify sectors with high demand for low-skilled and semi-skilled migrant workers, facilitating the routing of workers towards these sectors. The integrated database can also help identify migration patterns, wage levels and social security needs of migrant workers.

Figure 4: DESH-Stack for Database Integration



Conclusion

Migrant workers in the unorganised sector constitute a sizeable proportion of the labour force in India. The DESH-Stack eportal provides an opportunity to address issues faced by migrant workers across dimensions of employment, finance and job discovery. Philanthropy can play an important role in initiating digital credentialling for migrant workers through demand and supply side initiatives. By engaging employers and industry associations in sectors such as construction, domestic work and the textile industry, philanthropy can encourage the use of digital credentialling. On the supply side, digital credentialling can be initiated by issuing VCs from state-run and private training institutes, which would help migrant workers leverage their verified skills and negotiate better wages. The DESH-Stack eportal can thus become a medium for better wages and social security benefits for migrant workers.

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