

INDIAN MIGRANT WORKERS

UNDERSTANDING THE DYNAMICS OF MIGRATION IN INDIA

July 2023



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EXECUTIVE SUMMARY



Migration is a prevalent phenomenon where workers move from one region to another in search of employment. There are approximately more than **140 million Indian migrant workers**, who contribute **10%** to the Indian GDP.

Three primary causes drive migration in India – **aspirations for economic mobility, socio-economic disenfranchisement, and urbanisation**. As part of the informal economy, **Indian migrant workers** are employed as **casual labourers** and are over-represented in the construction and mining sectors. **62%** of wage workers in India do not have a working contract, **49%** are not entitled to paid leaves, and **53%** do not have any social security benefits, highlighting a lack of suitable work options for migrant workers in India.

Multifaceted challenges restrict Indian migrant workers' access to decent working conditions and welfare benefits. The migration during Covid-19 in India worsened the vulnerabilities, culminating in the labour migration of **11 million** employees back to their home states. At each level, migrant workers in India encounter unique challenges. Individually, they remain **unenumerated** in the welfare system. Workers have **limited bargaining power** at the worksite since they rely heavily on contractors who do not pay their wages on time. At a policy level, migrant workers in India are not uniformly defined and thus lack access to institutional safeguards such as the **portability of social benefits**. Finally, at the ecosystem level, all difficulties are exacerbated by a **lack of access to essential welfare services** such as housing, health, and finance.

Various government bodies are converging **efforts to drive a safe migration movement in India**. There has been a thrust towards three interventions – establishing a comprehensive policy framework, enhancing social security coverage, and developing skill-based credential systems. Combined efforts from all ecosystem stakeholders are required to **enable safe migration** and implement solutions at both **source and destination locations** to provide decent work opportunities for workers.



MIGRATION LANDSCAPE IN INDIA



Inter and intra-state migration is a prevalent phenomenon in India, where people move away from their native regions in search of better livelihood opportunities.

Economic structural change has made it possible for surplus labour to be transferred from relatively low-productivity agricultural activities to higher-productivity industries (Economic Survey 2016-17).

Both push and pull factors drive migration in India (ILO 2020)



Aspirations of economic mobility

- Migration occurs in pursuit of better livelihoods and economic mobility.
- Migrant workers aim to enhance their consumption and standard of living by migrating in search of better resources and better educational facilities for children.



Socio-economic disenfranchisement

- Disadvantaged groups embrace migration as an opportunity to escape entrenched practices such as caste, gender and religion-based discrimination, opting for other livelihood options.
- It plays a crucial role in getting households out of intergenerational poverty.



Urban-led economic growth

- Individuals who lack the skills required for occupations further up the value chain struggle to obtain desirable jobs in rural areas, but are easily absorbed into the informal sector in urban areas.
- This has pushed for labour mobility, causing an influx of heterogeneous migrants to the cities.



Migrant workers constitute an integral part of the Indian economy, contributing to **10% of India's GDP**.

Migrants can be classified based on a variety of criteria, including period of stay at destination, and the nature of their movement (permanent, seasonal, or circular).

Migrant workers form a significant component of the Indian labour force (Economic Survey 2016-17).

~28%

Estimated size of internal migrants in the overall workforce.

140
million

60 Inter-state migrant population

80 Inter-district migrant population

4.5%

Increase in the number of migrants from the 2001 to the 2011 Census.

There are three main characteristics of mass migration in India (Tumbe 2018).



Semi-permanent

Estimated size of internal migrants in the overall workforce.



Male-dominated

Over 70% of the net outflow of migrants from a particular region comprises men.



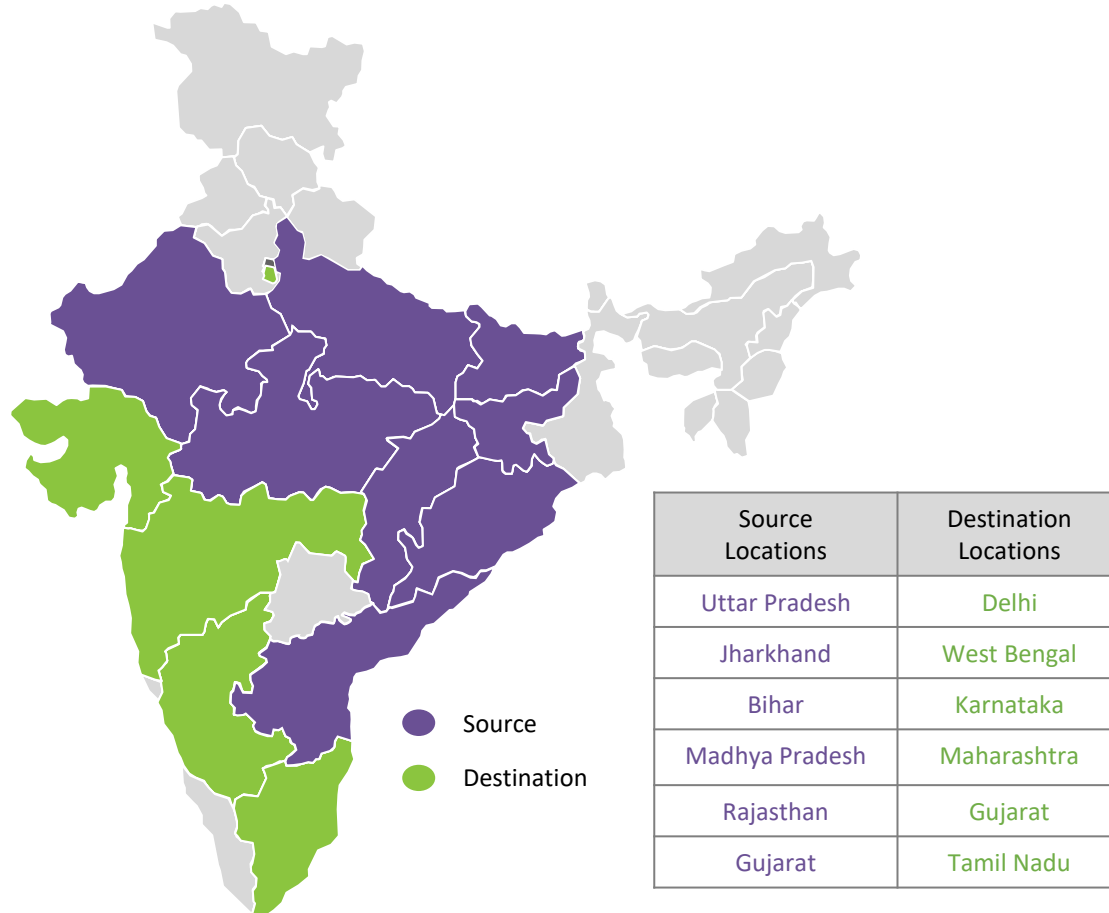
Remittance Yielding

Remittance is an outcome of migration to increase spending flows in the receiving regions.



The **northern states** are the primary source of migrant workers, while the **southern and western states** absorb the surplus supply of labour force.

Top Inter-State Migration Routes

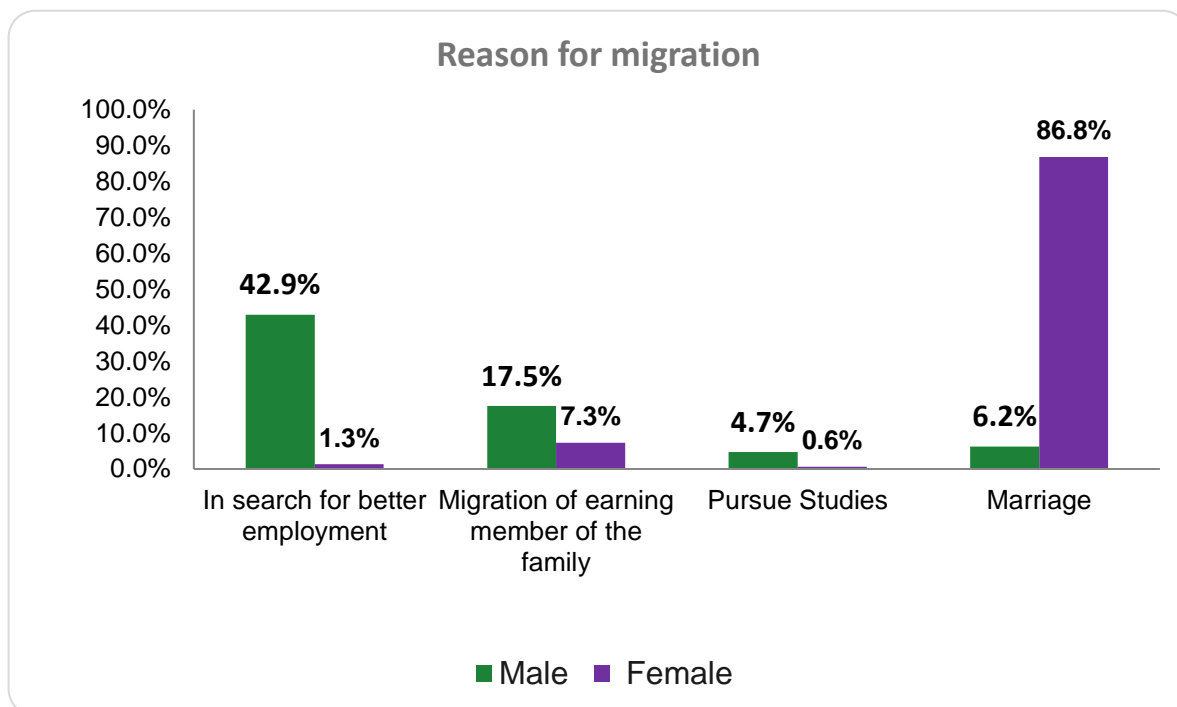


The Economic Survey 2016-17 highlights some major trends of migration in India.

- 1 Demand vs Supply:** Uttar Pradesh, Bihar, Rajasthan and Madhya Pradesh accounted for **50%** of India's net out inter-state migration. On the other side, **Maharashtra, Delhi, Gujarat, and Tamil Nadu** account for 50% of the country's net in migration.
- 2 North vs South:** Internal migration rates have dipped in Maharashtra and surged in Tamil Nadu and Kerala, reflecting the **growing pull of southern states** in India's migration dynamics.
- 3 Intra-District Movement:** Intra-district migration has increased from **33% to 45%** between 1991-2001 and 2001-11. People are finding better opportunities closer home than they did before.
- 4 Labour Mobility:** Estimates suggest that migration within India is between **5 and 9 million annually**, indicating that labour mobility in India is much higher than has been previously estimated.

While most men (43%) move in search of better opportunities, 87% of women migrate due to marriage.

The PLFS defines a migrant as a household member whose last usual place of residence* was different from the present place of enumeration in a household.



*Usual Place of Residence of a person is the place (village/town) where the person has been staying continuously for at least six months.

**Migration rate for any category of person (for rural or urban, male or female), is the percentage of migrants belonging to that category of persons.

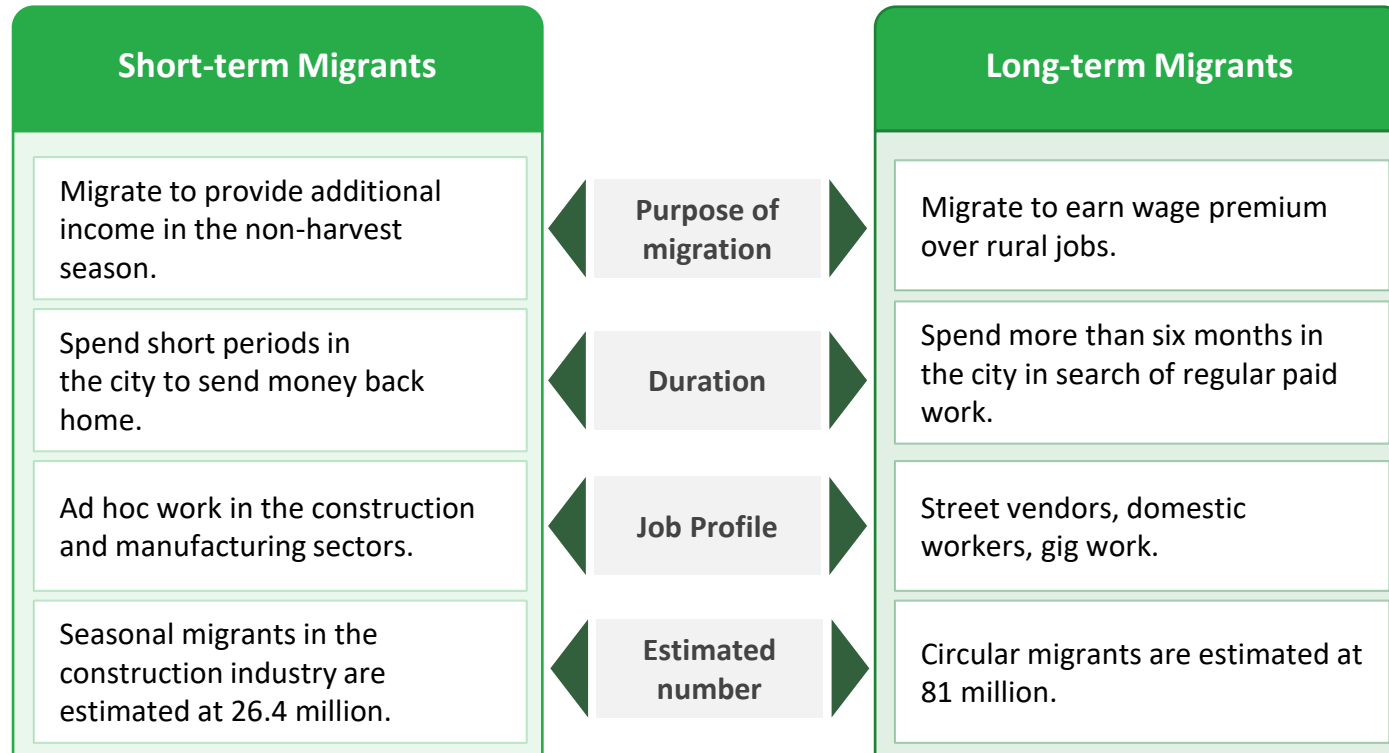
Overall Migration Rate** in India



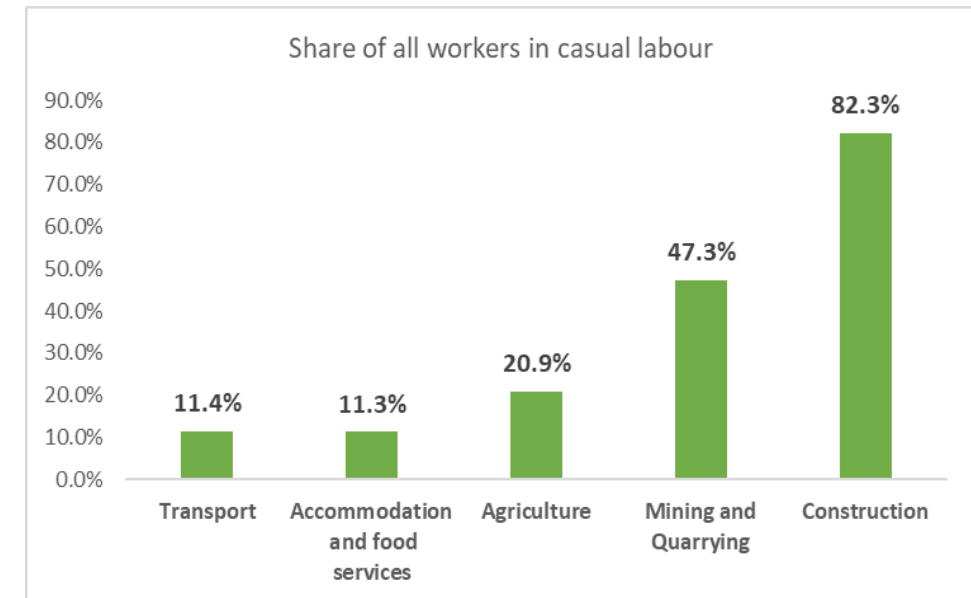
- Only **1.9% of females** migrated in search of better jobs or higher studies, while more than 85% of women migrated due to marriage.
- However, **57.4%** of the female workforce in India comprises the migrant workforce, indicating a transitory nature of women's participation in the workforce.



Migrants relocate for both long and short durations and are overly represented in sectors like construction and mining.



The construction sector remains the highest employer of casual workers in India (IDI 2023).



OVERVIEW OF CHALLENGES



Migrant workers form a significant part of the **casual labour market** in India, where they receive wages according to the terms of daily or periodic work contracts.

38% of all regular wage employees are not eligible for paid leave, have no written job contracts and social security benefits, highlighting the lack of decent work opportunities for migrant workers (IDI 2023).

Casual labour in India has three major characteristics:



No Regular job contract

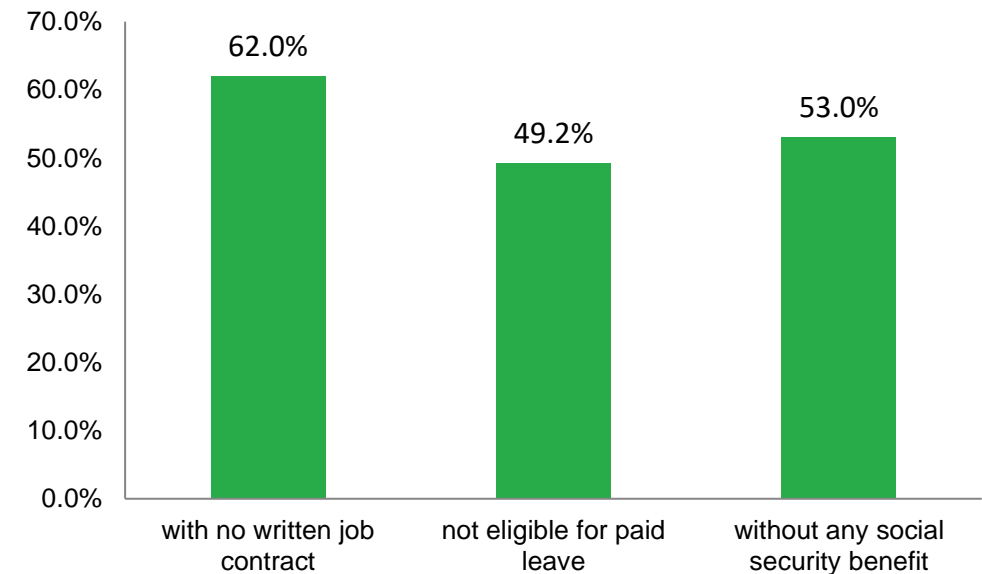


Low wages in the informal market



Absence of social security benefits

Percentage share of wage workers based on employment benefits



Migrant workers experience **incomplete citizenship** due to a lack of identity and social security and form an extremely **vulnerable** segment of the population.

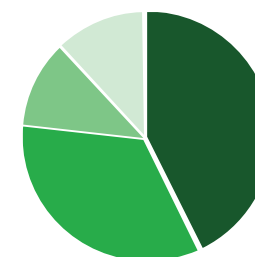
The Covid-19 pandemic exacerbated the conditions for internal blue-collar migrants in India.



Demographic of Migrant Workers - Putting a gender and caste lens (MRC 2021)



Overwhelmingly male migrants present in source states travelling back to their home destination.



More than 50% of migrants in the pandemic-induced reverse migration belonged to SC and ST communities.

■ SC ■ OBC ■ ST ■ Other

Based on a rapid assessment survey by Jansahas following the COVID-19 lockdown



Migrant workers encounter multiple challenges at every level.

The Covid-19 pandemic exacerbated the conditions for internal blue-collar migrants in India.

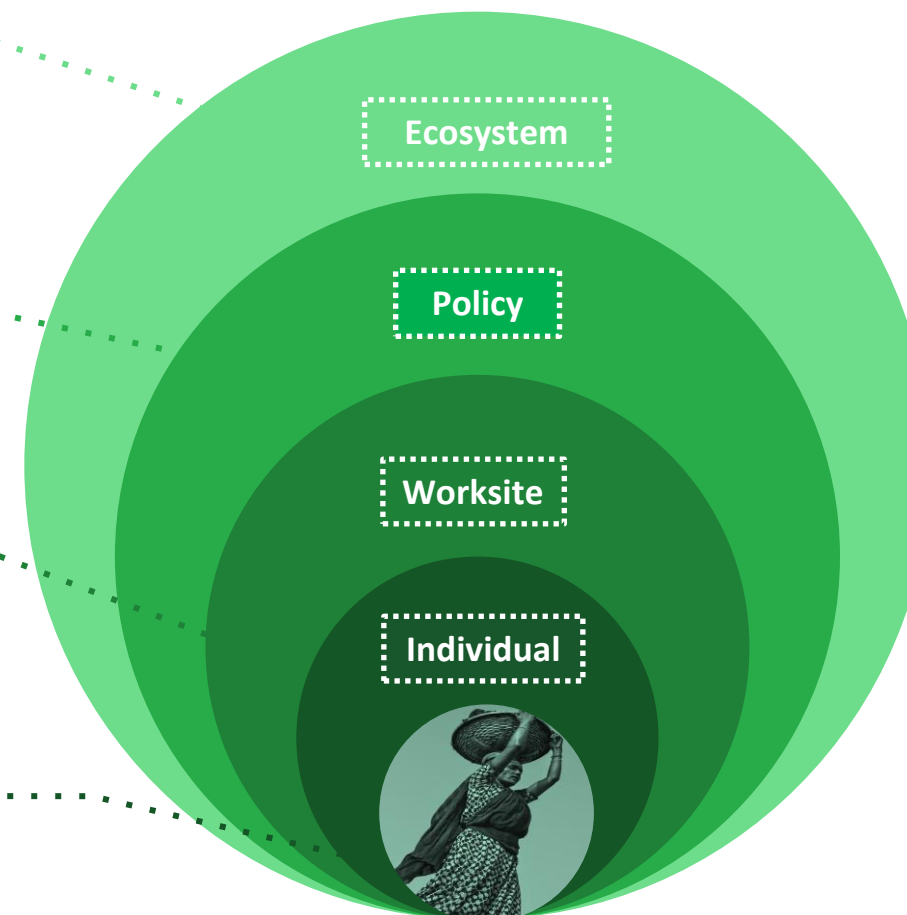
These challenges compound one another, depriving migrant workers of **safe migration** and **decent employment opportunities**.

Inadequate access to welfare services such as health, housing and finance.

Policies do not define nor provide welfare safeguards to migrants.

Challenges are compounded at the worksite due to limited bargaining power.

Migrant workers remain invisible, fragmented and unrecognised.



At an **individual level**, migrant workers face challenges as they remain invisible, fragmented and unrecognised.



Un-enumerated in the welfare setup

- Migrant workers remain unenumerated and unrecognised, therefore outside the purview of welfare schemes at the local, regional and national levels. Registration rates are not very high among migrant workers. Only 52.5% of all construction workers were registered Construction Workers Welfare Board in 2017 (Saha 2021).
- More than 50 million children are affected by migration (CPR 2021). Due to their continued lack of documentation in the welfare setup and their disproportionate dependence on men, women and children are increasingly invisibilised in the system.



Inadequate access to skilling

- Developing migrant workers' skills is complex and challenging. The use of available training opportunities is restricted by poor awareness and access to formal and informal career counselling.
- Existing skill training programmes have an inflexible durations and educational requirements, which becomes difficult to avail for daily wage migrant workers. 80.5% of the workers in the 15-59 age group have not received any form of vocational training (PLFS 2020-21).



Restricted Socio-economic agency

- People migrate to escape caste-based atrocities. Scheduled Castes (SC) and Scheduled Tribes (ST) are over-represented in short-term migration streams and under-represented in long-term migration streams. Male SC (60%) and ST (40%) migrants are less urban-oriented in migration compared to 70.5% of non-SC/ST migrants (MOHUA 2017).



The individual challenges of the migrant worker are compounded at the **worksite** due to limited bargaining power.



Occupational safety and health risks

- Most migrants end up settling at informal settlements near the worksites surrounded by hazardous materials.
- Migrant workers face high degree of Occupational Safety and Health (OSH) risks at the **worksites, including accidents and crush injuries**. Unsafe accommodation, and lack of proper facilities and washrooms make women highly vulnerable to violence and harassment at the worksites.



High dependence on contractors

- **50-60%** of migration happens through contractors. Contractors are responsible for the recruitment and welfare of the workers.
- Workers rely on contractors for their well-being. High dependence on contractors results in unscrupulous practices by contractors. Situations may include coercive recruitment, **improper information about wages, nature of work and excessive wage deduction**, resulting in debt bondage.



Wage inequality

- **1 out of 3 workers** do not receive minimum wages, with casual workers forming a large proportion of that group (ILO 2020). **Only 19%** of all workers had a written job contract, and **around 29% of workers** were eligible for paid leave.
- Women face a double burden of managing domestic and care work along with paid work at construction sites. **Women earn 30-40% less** than their male counterparts for the same amount of work (Dasra 2021).



The individual challenges of the migrant worker are compounded at the **worksite due to limited bargaining power.**



Defining a Migrant Worker

- The starting challenge in the migration policy is defining migrant workers and how they differ from various categories of informal workers.
- Both the Census and NSS collect information on migrants using different criteria to define 'migrants' (MOHUA 2017). NSSO defines migration based on the last usual place of residence where one has stayed continuously for a period of six months or more which, unlike the Census, does not include temporary change in residence.



Limited social protection

- Wage protection laws remain unimplemented in the case of migrant workers due to their inability to prove formal employment relations.
- As the informal migrant workers get split across multiple jurisdictions, there are gaps in enumerating them under multiple labour laws. Only 50% of workers are eligible for benefits under the Building and Other Construction Workers (BOCW) cess fund, and 62% of the cess remains unutilised for the welfare of workers (Dasra 2021).



Lack of portability of entitlements

- Migrants face impediments in utilising identity documents due to domicile requirements in states. Seasons and casual workers face barriers due to weak registration processes for employment-related social protection.
- The migrant crisis was exacerbated due to the inadequate incorporation of migrants in social security measures in destination states, which resulted in an exodus of more than 10 million migrants back to their home states.



Inadequate access to **welfare services** limits the workers' ability to find affordable housing, finance and skill training to move out of intergenerational poverty.



Lack of affordable housing

- The proportion of migrants in the urban population is 47%. There is an **inadequate supply of low-income ownership and rental housing options**.
- Poor supply of low-income housing in urban destinations results in migrants **staying around worksites and slums**. Migrants face difficulty in accessing basic amenities such as washrooms, clean water and sanitation, impacting their health adversely.



Poor access to healthcare

- **Healthcare utilisation rates remain low among migrants** due to factors like poor access to affordable treatment facilities, the cost of missing work hours, and perceived alienation from government health systems at the destination. Among women and child migrants, maternal and child health indicators can remain poor due to early marriages and early pregnancies.
- Multiple studies have cited heavy incidence of **anxiety and depression** during the lockdown, highlighting the mental health status of migrant workers (Kumar 2020).



Exclusion from formal finance

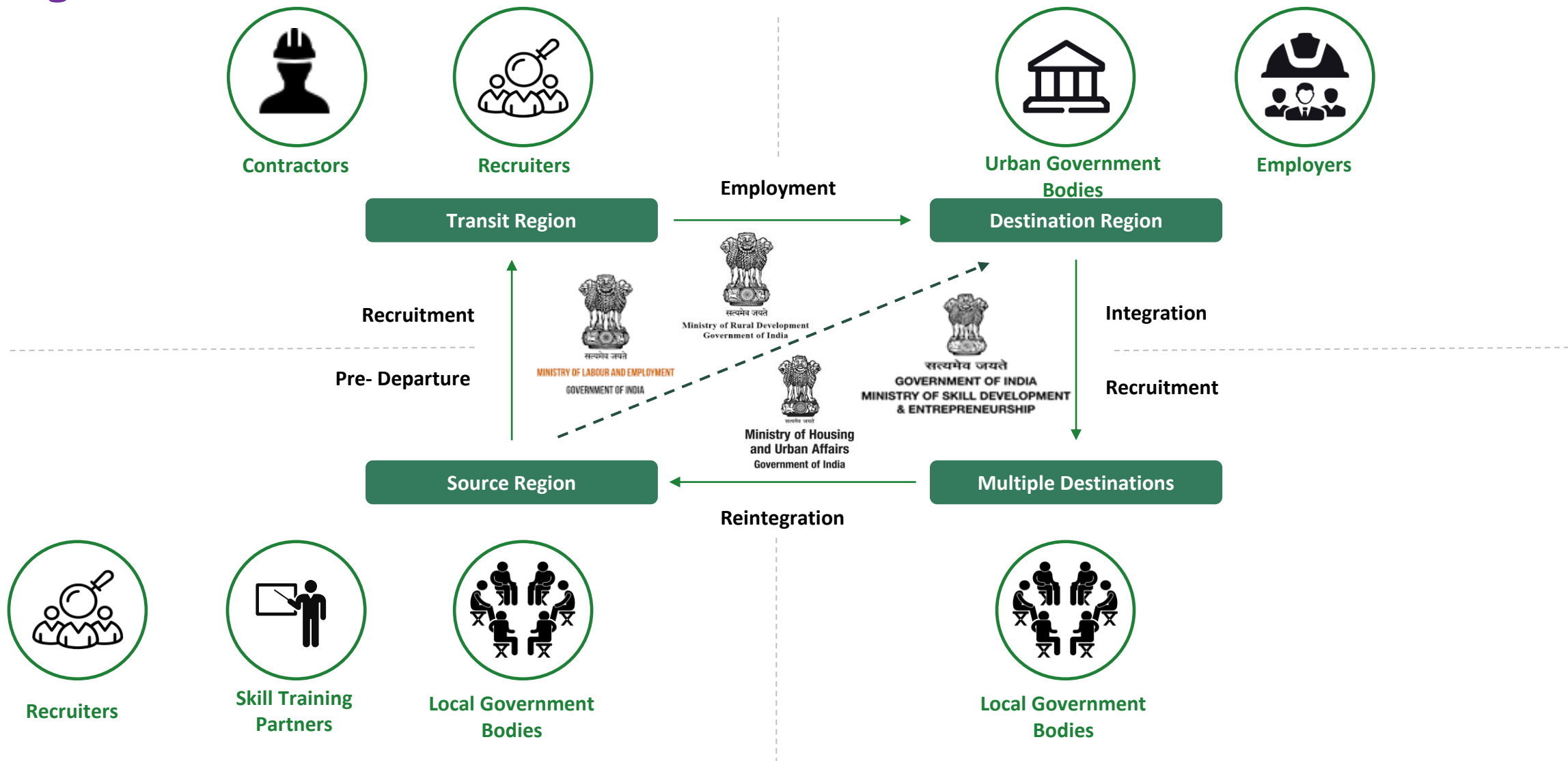
- Migrant workers are at constant risk of indebtedness. Since migrant workers are viewed as a high-risk population due to their high mobility and little savings, banks do not lend them money **through official credit channels**.
- Many migrant labourers are compelled to save money with their contractors or at local 'kirana' stores. Left-behind families face extreme cash flow volatility during the male absence and are forced to borrow from **local moneylenders at rates as high as 5-10% per month** (Shram Sarathi 2023).



ECOSYSTEM INTERVENTIONS



Along the migration cycle, several stakeholders hold the responsibility of ensuring **safe migration**.



Multiple government entities are converging their efforts to enhance welfare measures for migrant workers.

Following the pandemic, the government has targeted interventions in three areas for migrant labour.



1

Establishing a comprehensive policy framework



2

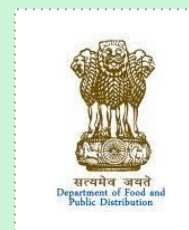
Enhancing social security coverage



3

Developing skill credentialing systems

Government bodies working on migration-related issues



1

There has been a thrust towards accurately estimating the migrant workforce and creating a policy framework.

All India Survey on Migrant Workers

The Labour Bureau has taken up the All India Survey on Migrant Workers and All India Survey on Domestic Workers (PIB 2022).

- To estimate the number of domestic/internal migrant workers in the country.
- To collect data on their household characteristics, socio-economic conditions and working conditions.
- Study the impact of COVID-19 on their work.

1.2 lakh households will be covered across rural and urban areas in the survey to enable data-driven policy decisions for migrants.

NITI Aayog's Draft on Migrant Policy

- The draft establishes institutional frameworks to coordinate the implementation of schemes for migrants by ministries, states, and local departments, with the Ministry of Labour and Employment (MOLE) as the nodal ministry for implementation.
- Focus on better demand and supply assessment of migrant workers and consistent definitions to capture seasonal and circular migrants.
- Dedicated unit to converge efforts of various ministries, setting up migration resource centres in high migration zones and inter-state migration management bodies.

National Database of Unorganised Workers - E-Shram Portal

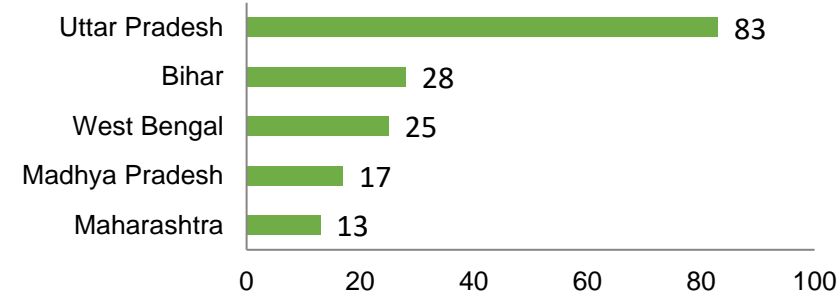
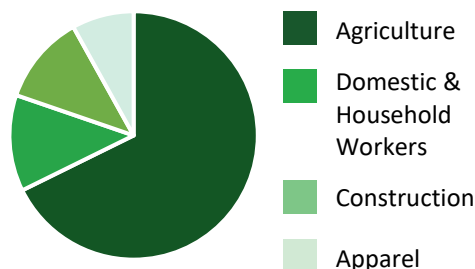
- First ever national database of unorganised workers, including agricultural, domestic, construction, gig and platform workers.
- E-Shram captures details of workers such as occupation, educational qualification, and skill type for the optimum realisation of their employability and extend social security benefits.
- It will help in providing portability of the benefits to the migrant workers.

280 million

Registrations completed on E-shram

*Figures in millions

Top 5 Occupation sectors



2 To enhance the social security of migrant workers, the emphasis has been on the portability of welfare programmes, worker welfare and affordable housing.

One Nation One Ration Card, 2021

ONORC is based on the computerisation of the Targeted Public Distribution System to drive intra-state and inter-state portability of benefits.

Challenges

Beneficiaries are confined to a particular Fair Price Shop (FPS).

Migrants lose access to PDS foodgrains.

ONORC Solution

- It will enable migrants to access foodgrains at a fair price shop of their choice by using existing ration cards with biometric authentication of identity on an electronic point-of-sale (ePOS) device.

- Entitlements from the home state are available online on the ePos device of chosen FPS.
- Use of existing ration card number or Aadhar.

The Ministry of Labour Affairs has subsumed The Inter-state Migrant Workmen Act, 1979 in the Occupational Safety, Health and Working Conditions Code, 2020 (OSH).

The code provides for the following:

- The contractor/employer of an establishment employing inter-state migrant workers has to ensure suitable conditions of work.
- A migrant worker is eligible to avail all the benefits which is available to a regular worker of that establishment, including benefits of ESIC, EPFO and other benefits.
- They are eligible for benefits of the Public Distribution System (PDS) in his native state or the destination State where they are employed

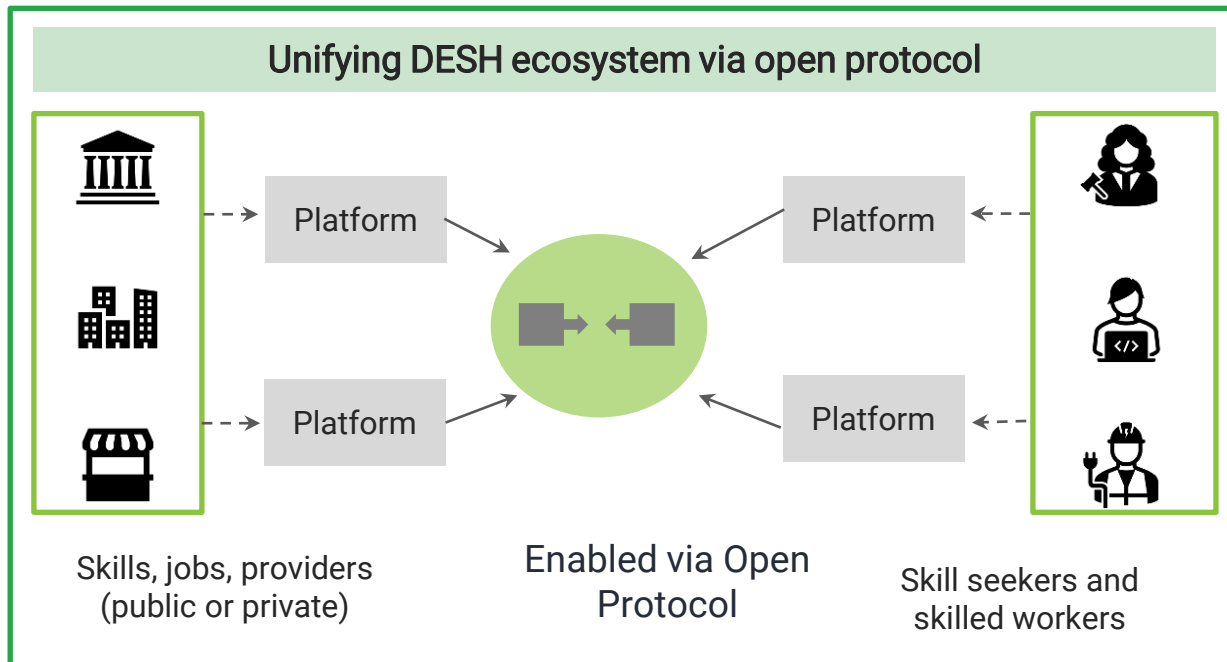
Affordable Rental Housing Complexes (ARHCs), 2021

- To provide low-cost dignified rental accommodation with necessary civic amenities for the urban migrants/poor near their workplace.
- Housing complexes consist of a mix of dwelling units with one and two bedrooms, and all standard facilities.
- Beneficiaries for ARHCs will be varied groups of urban migrants/poor from EWS categories, including industrial and construction workers, migrants working with market/trade associations, educational/health institutions, and the hospitality sector.



3 DESH can revolutionise the process of skill training, assessments and recruitment of migrant workers all in one place.

The Digital Ecosystem for Skilling and Livelihood (DESH) is envisioned as a digital infrastructure or stack for the education and skills ecosystem to enable frictionless exchange for skill development, deployment and associated supply chain services.



The traditional system prevents migrant workers from getting formal training and, consequently, good work opportunities.

- DESH-Stack will:
- Support the recognition of their skills and qualifications in the local labour market.
- Substitute informal intermediaries in job offerings.

Use Case for Migrant Workers

- Workers will get skill credentials for their on-the-job experience or training by traditional master craftsmen.
- Workers will be able to connect with formal employers on DESH network-enabled applications. This will reduce their dependence on contractors.
- Verifiable credentials would give them an edge and enable these workers to get better wages.
- DESH-Stack would connect workers with qualified trainers for reskilling and upskilling.

Source: Modi et al. 2022

Several non-profits, foundations and funders are targeting interventions to enable the safe migration discourse in India.

Safe Platforms for Employment Exchange



JAN SAHAS
PEOPLE'S COURAGE FOR CHANGE

Migrants Resilience Collaborative (MRC)

Led by Jan Sahas, MRC is a grassroots-led multi-stakeholder collaborative of non-profit, philanthropic, and private sector actors focused on ensuring safety, security, and mobility for vulnerable migrant families across India. MRC has worked with over 4 million migrant households to date.

Other organisations running similar programmes



Facilitating Access to Social Benefits

TATA TRUSTS

Migrant Resource Centres

These serve as a one-stop shop, **providing linkages to government entitlements and schemes, legal assistance in wage and worksite issues and accident-related cases, employment opportunities and banking services.** These centres have provided over 16,000 entitlements to migrating and vulnerable households in Odisha, totalling around Rs 23 million.

Other organisations running similar programmes



Institutional Funders



OMIDYAR NETWORK

Migrant Resource Centres

Under the ReSolve initiative, the network will fund interventions for long-term issues of migrant workers. Under the migrant worker strategy, the investment will be directed towards ensuring access to housing and civic services, piloting solutions to support the adoption of ethical practices and evidence-based narratives to inform public policy.



CALL FOR ACTION



The combined efforts of ecosystem actors are essential in addressing challenges of migrant workers at all levels.

01

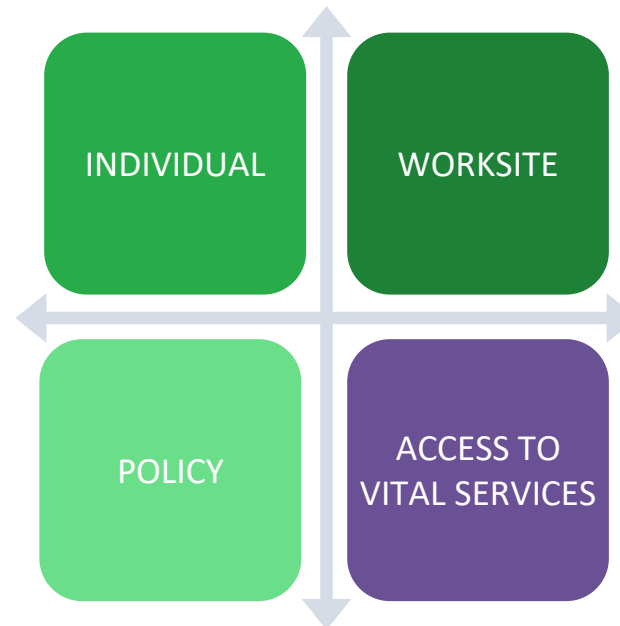
Enumerating migrant workers at both source and destination locations

- Government and civil society actors need to enumerate migrant workers at source and destination, especially at a block level.
- Registration of migrants in government databases across all levels can lead to data-driven and targeted policy measures.

02

Enhancing social security coverage

- Philanthropy can fund solutions which enable greater access to insurance, pensions and provident funds while also working with the government on technical assistance and programme design to build inclusive schemes.



03

Enforcing safe working conditions

- While the responsibility of implementation lies with state governments, there needs to be a higher liability and strict enforcement through the contractor/employer to ensure suitable conditions for workers.

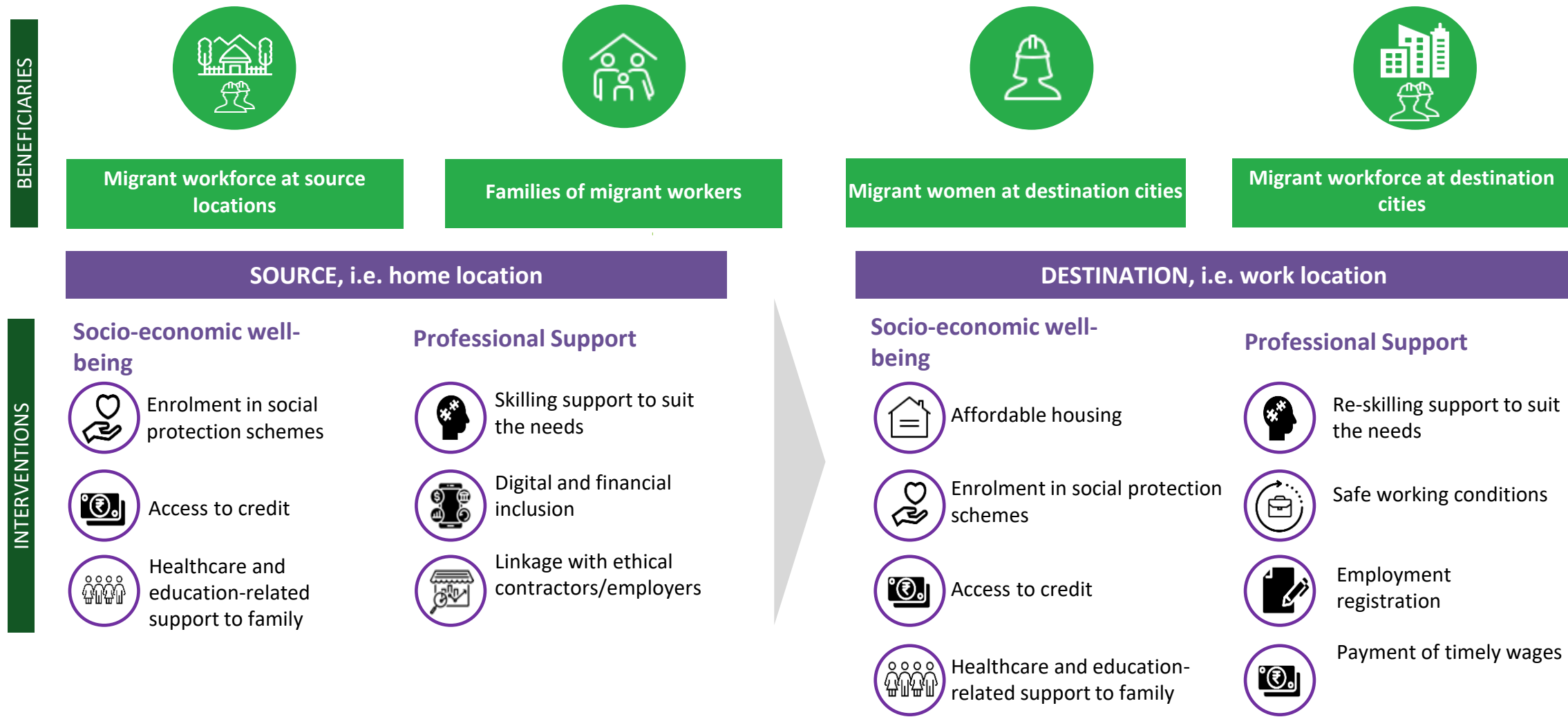
04

Ensuring access to vital welfare services

- To improve the overall living conditions of migrant workers, all ecosystem actors need to fund interventions in affordable housing, formal financial inclusion and access to health and skilling.



In order to ensure the safe migration of the workers, it is important to implement solutions at both the source and destinations locations.



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