



MIGRATION - LIVELIHOODS AND INFORMAL ECONOMY

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Abstract:

Migration is simply the movement of people from one place to another. It has always been a part of human life and experience. Populations have expanded and moved across lands for various reasons and opportunities. It has resulted in a range of individual and family and economical experiences that have impacted not just regions, but countries. There are a mixture of "push factors and pull factors" that lead to various types of migration in the society. In the current study, we will discover what factors lead to migration and its consequences, the internal migration of India, the employment opportunities that differentiate migrant workers, quality of life, the challenge of their livelihoods, their economic statuses and the government policies for migrant workers, impact of the global pandemic on migrant workers, their employment status etc.

Informal economy is the informal job sector for the workers not regulated, protected, monitored or taxed by the state, which involves diverse economic activities and enterprises. The informal sector accounts for more than 80 percent of the non-agricultural employment in India, as per the study of the International Labour Organization. According to WIEGO, the concept of informal economy was originally attached to self-employed workers and unregistered enterprises. In the current study, we will see the scenario of the informal sector workers in India, how the informal economy expands, the challenges faced by the workers, their livelihoods, and the related initiatives for their protection and empowerment.

Key Words: *Migration, Employment, Pandemic, Opportunities, Informal Economy, Empowerment*

I. INTRODUCTION

Migration is defined as, "The movement of a person or people from one country, locality, place of residence, etc., to settle in another."

People have migrated and continue to, for a gamut of reasons since always. And the most common reason has been the promise or potential of a better life. It could be for whimsical or adventurous reasons but the harder reality of migration has been grounded on gruelling and hopelessly burdensome lives that lack any positive future in finances, education or employment.

Asymmetry in labor supply and wage rates between source locations and destinations, and between industrial and agricultural sectors creates the inevitable process and consequences of migration. It can be permanent, temporary or seasonal. The **push and pull factors** are the basic economic factors which either necessitate people to move out of a place in case of the push factors, and into another due to the pull.

II. Objectives

- To understand the superstructure of migration.
- To study the inevitable process and consequences of migration, the factors that require people to move into and out of a place.
- To comprehend the types of migration and the challenges involved in the migrant livelihoods.
- To observe the impact of COVID 19 in the status of migrants.
- To apprehend the notion and reality of the informal economy.

III. RESEARCH METHODOLOGY

To address the foundation and dynamic of migration, the livelihoods and informal economy, this study describes and analyzes the factors and the consequences of migration, with the support of secondary data, extensively focusing on the types, challenges, and recent aftereffects of the pandemic- in the lives of migrants and what informal economy has come to mean in the current economic environment.

3. Three Models Of Migration

3.1.Harris - Todaro Model

John R. Harris and Michael Todaro is an economic model used in development and welfare economics that explains the issues of rural-urban migration. It implies that rural-urban migration even in the condition of high urban unemployment is economically rational because the expected urban wage is greater than expected rural wage.

3.2 Dual Sector Model

The Lewis model given by Prof. W. Arthur Lewis, states that surplus labor from the traditional agricultural sector is transferred to the modern industrial sector because the growth of the industrial sector will absorb the surplus labor, promote industrialization and prompt sustained development. In this model, the traditional agricultural model is portrayed as consisting of low wages, excess labor, and inadequate productivity level in a production process that is labor intensive. The production process of the manufacturing sector is capital intensive.

3.3 Fei-Ranis Model

It is a dualism model developed by John C. H. Fei and Gustav Ranis; it is seen as an extension of the Lewis model. It is also called the Surplus Labor Model. It acknowledges the dual economy which has modern and primitive sectors that co-exist in the economy, the former being the rapidly emerging but small industrial sector and the latter existing agricultural sector in the economy. It supports the complete transfer of agricultural labor to the industrial sector as it perceives development occurring by shifting the focal point of progress from the agricultural sector.

IV Internal Migration

Internal Migration is where people migrate between states, cities, districts, villages, etc within the country. This is because they are on the lookout for better conditions, employment, education etc in the urban areas around them. Internal migration is very common in every country and happens mostly at initial and medial stages of urbanization. Urbanization is defined in one way as, "The process whereby a society changes from a rural to an urban way of life. It refers also to the gradual increase in the proportion of people living in urban areas." It refers to the population shift from rural to urban areas, the corresponding decrease in the proportion of people in rural areas and how society evolves to adapt and expand. The **pull** factors in urbanization are better job facilities, salary improvements, promotions, increased income, medical and educational means and resources. The **push** factors are lack of jobs, famine or drought, salary cuts or stagnation, lesser income, and absence of medical and educational resources.

Internal migration is mostly seen in the semi-skilled and unskilled employment in both rural and urban areas. The government, in some cases, works to support the internal migrants from other states. Internal migration does not create the problem of "brain drain." Brain drain is a slang term used to imply the substantial migration of individuals, it can occur due to various reasons like favourable professional opportunities in other countries, desire for a higher standard of living, or turmoil within the nation. It can occur geographically or at industrial and organizational levels when workers believe there is better pay, privileges, or upward mobility in another company.

There are different types in Internal Migration:

V Seasonal Migration

Movement on a seasonal basis and due to seasonal shifts or peaks in demand for labor. It is also a form of return migration.

5.1 Rural To Urban Migration

Migrants who leave their hometown for destination cities with better job opportunities and pay than what is available in their region.

5.2 Rural To Rural Migration

The causes are poverty and/or internal conflict. Either or both can be due to famine or over-production which results in undesirables influencing the local commodity markets and lead people to see better livelihoods and/or security elsewhere.

5.3 Urban To Urban

Movement of population from one urban locale to another for more enticing opportunities and raises and conditions.

VI Migrants And Their Challenges

According to a study in The Hindu, the difficulty of the consequences of internal migration are listed as:

6.1 Documentation And Identity

Impoverished migrants face the grave issue of proving their identity after their arrival in a new place. Identity documentation must be authenticated by the state because it makes sure that a person has a secure citizenship status and can benefit from the rights and protections that the state provides. The problem of establishing identity leads to a loss of access to entitlements and social services. Thus the lack of access to education for the children of migrants aggravates the intergenerational transmission of poverty.

6.2 Housing

Labor demand in cities and the consequent rural-to-urban migration leads to the issue of accommodation for a greater population. Migrants in slums would be required to pay unreasonable and unaffordable rents and they would be driven to live at their workplaces, shop pavements or available open areas in the city.

6.3 Limited Access to Formal Financial Services

Migrants are unable to hold bank accounts in cities because they do not meet the Know Your Customer (KYC) norms stipulated by the Indian banking regulations which requires them to possess permissible proof of identity and residence. This has implications on their savings and remittance behaviors.

6.4 Political Exclusion

A study on the political inclusion of seasonal migrant workers in 2011 showed 22 percent of seasonal migrant workers in India without voter IDs and absence of their names on the voter list.

Migrant workers are deprived of exercising their political rights because of their state of constant movement. They are also not entitled to vote outside the place of their origin.

6.5 Rampant Exploitation

There are elaborate chains of contractors and middlemen who source and recruit workers while mediating migration flows. These networks prominently operate in the Informal Economy. Migrants have little to no opportunity for legal discourse in their subjection to a life of dependence on the middlemen and when they end up working in low-end, low-value, risky manual labor, there is constant manipulation. Their bargaining power in terms of wages, benefits, improvements or promotions in working conditions suffers due to their inhibited potential of being organized in informal or formal ways. Forced labor conditions, vulnerability to crises and disasters. Intergenerational transfer of poverty.

6.6 Lack of Access To The Public Distribution System

Lockdown revealed that more than 99 percent of workers were not able to access the PDS, the food supplies and subsidies involved.

6.7 Invisibility, Informality, Fragmentation

The workers remain un-enumerated and unrecognized and are subject to unfair labour practices.

VII Seasonal Migration in India

Based on the cases included in the paper titled, "Seasonal Migration for Livelihoods in India: Coping, Accumulation and Exclusion" written by Priya Deshingkar and Daniel Start, the nature of migration by people from poor and well developed areas is expounded.

One of the most stable components of the normal livelihood strategies of rural populations is seasonal and circular migration of labor for employment in India. It doesn't necessarily occur only in emergency or distress.

According to the National Commission on Rural Labor (NCRL), the majority of seasonal migrants are engaged in the areas of cultivation and plantations, brick-kilns, quarries, construction sites and fish processing. Their employment also involves urban informal manufacturing, construction, services or transport sectors, casual labor, head-loaders, rickshaw pullers and hawkers. But there is lack of formal knowledge or recognition of the magnitude of seasonal migration or its significance among the poor.

It has also been treated as a problem by the policy-makers, as a threat to socioeconomic stability and it has therefore been controlled instead of being viewed as an important livelihood option. The poor migrants who deal with insecurity in both their source location and destination have hardly any access to organized support.

Seasonal migration undertaken to improve the economic position of the household is Accumulative migration.

Rao (2001) refers to 3 kinds of migration in his study of Ananthapur and Rayadurga districts in Andhra Pradesh. Type 1 migration is for coping and survival. Type 2 is for additional work/income. Type 3 is migration for better remuneration, work environment, opportunity to use or acquire new skills. There is a perpetual transition between the various types.

VIII Urban Employment Opportunities

8.1 Construction Workers

There are always cities that need to be built- infrastructure, transportation systems, waste management and power supplies needed. Existing cities get retrofitted, too. The world is going through an unprecedented increase in wealth as the expansion of cities adds value to land.

8.2 Civil Engineers And City Planners

Today there exists a social contract that needs to be advanced and fostered by civil engineers. City planners shape cities as they get at the heart of the making process. City planning now rests in the uncertain context of climate, economy, politics, food and water security. Therefore, the need is for resilient cities.

8.3 Communicators

The services that cities need most now are "help with public communications." Everything now is rooted in good communication as it sets a hardy social contract in motion, creates sufficient revenue for the operation of a city, responses to emergencies, tend to the citizens' wants and abilities.

8.4 Urban Managers

8.5 Social Contractors

A high quality urban life is possible only with a good social contract. New forms of social contracting are being promoted in cities as more people and professions are being brought into the design and implementation of social contracts and the related infrastructure.

8.6 Servers

This is likely the most progressively expanding urban job category.

8.7 Entrepreneurs

Urban entrepreneurs will always lead the world's economy and job creation.

IX Information Communication Technology

Infrastructure Suppliers

Workers to build the core of new cities and the retrofitting of older infrastructure.

X Farmers

Even as new forms of local or urban agriculture emerge, farmers will never be substituted. This pattern applies to other workers in household sectors like furniture, luxury goods, etc.

XI Covid-19 Migrants Report

According to the report by Bhaskar Chakravorty, Clement Imbert, Poonam Panda and Maximilian Lohnert in October 2020 based on a survey of vocational trainees from Bihar and Jharkhand, the effect of the nationwide lockdown on interstate labour migrants in terms of their location, their employment status, access to social protection and other sources of support, food insecurity and well-being was assessed. It also gauged their willingness to migrate again in the future.

XII Our Survey Had 7 Main Findings:

1. Nearly half (45%) of the respondents who resided outside of their home state in the pre- lockdown period had returned.
2. 32% of the respondents who had a salaried job in the pre-lockdown period had lost their jobs. Of those still employed, 37% were on leave, mostly unpaid.
3. Only 30% of the migrants still employed received support from their employers and few withdrew money from their PF account.
4. 51% of migrants received government assistance, mainly food supplies. The Aapda programme of the Bihar government reached 61% of migrants.
5. 31% of the interstate migrants did not receive any support from any source. As a result, 31% reported that their daily food intake was less than usual.
6. At the time of surveying, the respondents reported higher levels of anxiety and lower life satisfaction as compared to the pre-lockdown period.
7. Among the migrants who returned home, 68% of males wanted to re-migrate, but only 37% of females did.

The findings call for urgent high-priority policy action regarding two aspects. First, migrants need safety nets at their residence and work places. This protection must not just be legislated, to be effective it also needs to be coupled with efforts to actually enroll migrants into social programmes. Second, labor migrants, and especially women, need support to go back to work.

XIII Status Of Migrants In Hyderabad During Covid-19

An article published in the *Journal of Social and Economic Development*, authored by Ipsita Sapra and Bibhu P. Nayak discussed the “protracted exodus of migrants from Hyderabad in the time of COVID-19.”

COVID-19 is a pandemic with socioeconomic consequences that reached millions and caused a flare in poverty and distress; it was not just a public health crisis.

Migrant workers who help crest India’s evolving urban economy, have been excluded from most benefits in cities, like absence of access to social security programs and their living conditions have degraded to makeshift shanties on worksites and slums.

A large section of the migrant population in Hyderabad has been attracted by the IT boom and related real estate development since the 1990s. Migrant population constitutes 67 percent of the total population in the city with 7.1 percent being interstate migrants (Bhagat et al. 2020). The city has hundreds of *labor addas*, which are pick up points for skilled and unskilled daily wage labors.

There are four major geographical concentrations of migrants in the city in Sultan Sahi (close to Charminar), Syed Nagar (Banjara Hills), Secunderabad Cantonment area and Nallakuntla. Across these locations, Bengali workers are prominent in Maggam (hand embroidery work), workers from Odisha in the hospitality industry as well in the Brick kilns covering the peripheries of the city, workers from Bihar, Uttar Pradesh and Chattisgarh in *zardosi* (a form of embroidery), footwear making, bangle making, cooking in addition to the real estate sector.

Phase I is the time period that immediately follows the national lockdown declared by the federal government on March 24 and the Telangana State Government on March 21. The state took on the role of the *parens patriae*, the legal protector of citizens and asserted political authority that perceived protection as a part of the social contract with citizens.

Telangana had two groups of migrants during this phase: (1) those who, despite the drawbacks of an abrupt halt to cash influx, had decided to “wait through” the lockdown period in the hopes of things returning to normal after a few weeks of difficulties and (2) those who preferred to return to their villages for various reasons, such as (a) concern over acquiring an infection that was chiefly regarded as an “urban disease.” b) a pandemic-induced need to reunite with family; c) fear of job loss and rising costs; and d) access to a home with the bare necessities to follow lockdown

However, due to restricted movement, those trying to move out were stopped and resettled in makeshift shelters and the rest of the plans were dismantled.

The Public Interest Litigations raised two fundamental questions regarding the role of state in terms of: (1) Honoring the social contract for the migrants who were in Telangana and (2) expediting return of the migrants.

The judicial interventions started as a response to PILs when petitioners complained about the dismal quality of existing shelters and the state’s inability to reach out to the stranded migrants with essential commodities at reasonable prices.

Resources were mobilized to set up food distribution centers and support mobilized by city-based citizen groups and cultural organizations from different states (like Odia, Bengali, Bihari, Marathi cultural organizations in Hyderabad) for migrants of their states.

Phase II featured massive influx from cities to the places of origin. There was a loss of confidence in the state's role, capability and motivation for ensuring safety in transit, and they were questioned. In Hyderabad, there were occasional demonstrations where migrants defied lockdown and proceeded to the streets to demand permission to return. Anecdotal reports of similar pressures in Telangana and conspiracy theories from Karnataka that the industry lobbies were influencing the state to restrict worker migration added fuel to the crisis, and the migrants started to leave en masse. The bureaucratic hold on the situation was mostly lost.

However, the migrants had stopped waiting for formal approval to leave at this juncture. Most departments were limited to a minor role, excluding the police, who were primarily involved in ensuring lockdown and providing permits to cross state lines. The people's collective played a role in protective and facilitative functions to ensure safe transport of the migrants. The Telangana High Court ruled for the state government's undertaking of the requisite measures to extend shelter and facilities to all migrants.

Phase III of the migrant exodus was distinct from the first two phases in the complete charge taken by the Judiciary in Telangana. The People's collective, led by lawyers, solicited judicial activism to guide the bureaucracy's response. It was a phase when the executive responded to the direction of the judiciary and demonstrated less of its own agency.

On May 22nd, the Telangana High Court directed the state government to take responsibility.

The court further pointed the government at evolving a comprehensive policy to cover migrant workers stranded across the city.

XIV Women & Migration

Taken from a research study on "Impact of increasing migration on Women in Orissa" by Sansristi, Bhubaneshwar, the influence of migration on women and the economic status of migrant households has been explained.

The prevalence of small farmers having meagre land holdings, seasonal unemployment, absence of modern technology in agriculture has forced people to seek alternate sources of livelihood.

Migration is an outcome also of the repeated disasters that strike different regions at regular intervals. The embodiment of the impact of the disasters is seen in the poverty, malnutrition, distress sale of paddy, property and even children. The most persevering factors that drive people to look for better options are landlessness, indebtedness and lack of livelihood.

Another major cause of migration is displacement.

Migration is a survival strategy in most states because of their impoverished nature, it is the only choice for a hopeful livelihood.

But it has also been established that migration enables just enough earning to overcome the distress in the lean season and in no way helps to accumulate capital. There is a deep linkage between migration and poverty, especially of survival migration where the women are found at the bottom of the pyramidal structure of poverty.

Survival Migration is characterized by minimal economic gains and scant improvement in the economic status of men and women. Traditional gender roles and an increasing subordination of women are also cemented. Lack of accessibility to governmental programs causes survival migration.

Issues that affect women in the context of migration related to income are low wages, their non payment in most situations and gender disparity in wages.

Forced sex work & trafficking, domestic violence and the exploitation of single women are also common. Social exclusion is prominent. There is no legal mechanism for protection or awareness on rights and facilities of protection. Lack of health services begets and inflames reproductive health issues. There is acute lack of education, specifically neglect of children's education. Most of them are without the support of identity papers, registered births and marriages. Due to migration, there is breakdown of their social network such as self-help groups in the destination. Food insecurity & malnutrition only make standard of health and living worse. The migrant women workers also have multiple employers as a result of their distinguished gigs or jobs, and this puts them further from the protective wing of labor legislations. The labor laws are also found to be inapplicable in their cases.

XV Informal Economy

The International Monetary Fund discussed 5 things to know about the informal economy:

1. **The informal economy involves activities with market value but which haven't been formally registered.**

The activities of informal economy include distinctive professions like minibus drivers, market stands and hawkers. In advanced economies, gig and construction workers, domestic workers, registered firms, etc, also are considered under the informal economy.

The International Labor Organization estimates that, “about 2 billion workers or over 60 percent of the world’s adult labor force, operate in the informal sector- at least part time.”

The informal economy is a global phenomenon, but there is disparity within and across countries. On an average, 35 percent of GDP in low- and middle- income countries is represented by the informal sector and 15 percent in advanced economies.

2. **The informal economy is difficult to measure.**

Activities in it cannot be directly observed and mostly, the participants do not want to be accounted for.

Two different ways can be used to measure informality. To actively quantify the number of informal employees and businesses, the Direct Method relies on surveys, voluntary responses, and other compliance techniques.

Certain characteristics, or proxies, that can be observed and which are related to informal economic activity are involved in the *Indirect approach*. Electricity consumption, night-light satellite data, and cash in circulation are some examples of proxies. These methods help measure the share of the informal economy in total output.

3. **Among the acutely impacted informal workers were women in the pandemic.**

This uneven impact is due to the contact-intensive sectors that the majority of the informal workers are employed in (such as domestic workers, market vendors, and taxi drivers), and in jobs vulnerable to insecurity without paid time off or remote work options.

The estimated population fallen below the threshold of extreme poverty in 2020 are close to 95 million more as compared to pre-pandemic projections, most of whom were informal workers.

Gender inequality also keeps increasing. Millions of women in the informal workforce, had to involuntarily stop working since the pandemic began. “Women make up 80 percent of domestic workers globally, and 72 percent of them have lost their jobs as a result of the pandemic.”

4. **The process of economic development revolves around the informal economy.**

Informality is deeply relevant to the pace of the growth of countries, poverty and inequality, including gender inequality.

85 percent of the informal workforce is in precarious employment due to shortage of opportunities in the formal sector, which has significant economic consequences.

First, countries with sizable informal economies normally have below-potential growth. Informal firms are likely to remain small, liable to low productivity and limited access to finance. They don't contribute to the tax base either, preventing funding from the government for necessary and fundamental services to the populations.

Second, the pattern of the informal workforce displays more probability of poverty and wages lower as compared to their peers in the formal sector. They are bereft of social protection, access to credit and are generally less educated.

Third, informality is related to gender inequality. Globally, 58 per cent of employed women work in the informal sector, and are found in the most risk-filled, low-paid categories of informal employment.

5. **The informal economy currently represents the only source of income and a critical safety net for millions of people.**

Policymakers need to focus on implementing policies that help reduce informality gradually by tackling the drivers of informality in each country, including social exclusion and the incentives for individuals and firms to operate informally.

Some effective policies were reforms that ensured equitable access to education for boys and girls; increasing access to finance, leveraging mobile money and digital reforms, and taking steps that improve the business environment.

Specific measures include simplifying registration and regulatory requirements for new firms, simple tax systems like easy registration and electronic payment of taxes, and labor market reforms.

CONCLUSION

India largely features internal migration due to sporadic and diffused economic growth. Urbanization is a renewed chance at development. And yet it hasn't meant a great difference in the income distribution or increase in formal sector employment. The distressing challenges of migrants are untold in their shocking quantity. The nonchalance of the policy makers, powerlessness of migrants, worsening of their economic situations during the pandemic and in the aftermath is manifest in the currently frail economy. The issues of female migrants are profuse in their variety. The informal economy surges in volume, fraught with insecurity, deprivation, social exclusion and other adversities of informality. All of these issues need an anchoring and uplifting of the living standard, which can be worked on and resolved through the collaborative effort of the individual and the government. Better access and availability of healthcare and insurance, education, social security schemes, career opportunities, sound and affordable accommodations and an improved level of safety for each locality's population would be efficacious in getting just a little closer to solving the migration problem and the needs of informal economies.

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