

# Labour & Development

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## **India's Social Security Code, 2020: A Catalyst for Promoting and Protecting Platform Labour**

**Aishwarya Raman\*, Sreelakshmi Ramachandran\*\* and S.K. Sasikumar\*\*\***

*In a historic move, India has recently revamped its labour governance architecture, attuning it to the evolving future of work. The resultant labour codes, especially the Code on Social Security (CoSS), 2020, serve as a potential blueprint for the world to 're-regulate' work and labour relations. CoSS 2020 affords much-needed legitimacy to all types of work arrangements, and in fact delinks social protection from standard employment relations. This article examines the possibilities offered by CoSS 2020 and argues that its operationalisation stands to uplift workers across all sections of the labour market. It takes up the case of the digital platform economy in India to illustrate where the Code succeeds, in the context of various faltering attempts across the developed world to regulate digitally mediated labour. In doing so, this article makes a clear case for catapulting labour relations and workers entitlements to the 21<sup>st</sup> century and calls for a renewed policy response, crafted by centering worker welfare and labour justice.*

**Keywords:** Platform Economy, Labour Governance, Labour Reforms, Code on Social Security (CoSS) 2020, Gig Work, Platform Labour, Platform Workers, Future of Work

### **1. Introduction: Digital Platforms Herald a New Era of Work**

The ubiquity of smartphones and the widespread availability of affordable data have revolutionised how we live, move, and work. The last decade marked the rapid growth of digital platforms making our lives convenient on the one hand, and unlocking millions of remunerative opportunities for job-seekers on the other (Ramachandran & Raman, 2019; Raman, 2020). Having meals, groceries, medicines, etc. delivered to one's doorstep, and ordering a bike-taxi, auto-rickshaw, or taxi-cab at the click of a button, are but a few examples of the hyperlocal economy we live in today (Raman, 2020).

The aforementioned jobs of driving and delivery are location-specific, and form one of the two broad categories of digital platform-based work; the other being online web-based platform labour. As per the latest ILO report on the future of work, 'World Employment and Social Outlook 2021' (WESO 2021, henceforth), online web-based platforms allow businesses to outsource tasks such as financial and

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legal services, design, data entry and data analytics, among others, or even micro-tasks such as transcribing interviews, checking data entries or traffic on websites, etc. (ILO, 2021). These jobs are global, in the sense that a worker in the global South can cater to the needs of a business in the global North. On the contrary, location-based platforms offer hyperlocal jobs centered on driving and delivery, for instance, as well as providing professional home services such as cleaning, plumbing, electrical work, and beauty or wellness-based services, among others. The latter are offered at the customer's location, and require workers to be mobile, and open to providing such location-centric services.

Globally, platform work witnessed a surge over the past decade: the number of web-based platforms tripled while the number of taxi and delivery platforms grew nearly tenfold (Jha, 2021; ILO, 2021). Overall, the number of digital platforms increased from 142 in 2010 to 777 in 2020, as per the ILO's WESO 2021 report, generating a revenue of at least USD 52 billion in 2019 alone. These digital platforms of labour are primarily concentrated in the US (29%), India (8%), and the UK and Northern Ireland (5%). Consistent with India's position and strength as a global software hub, the country constitutes 20% of the online web-based platform workforce, catering primarily to businesses in the global North. This translates to a significantly higher share of web-based workers in India compared to other emerging economies. Notably, India's share of total supply of global labour rose by around eight percentage points between 2018 and 2020, making Indians the largest providers of global labour (*ibid*).

This ever-expanding form of labour has demonstrated resilience even in the face of the ongoing pandemic, especially in India. While the unprecedented dual health-cum-economic crisis of Covid-19 caused a decline in both the demand for work and the supply of labour across countries in March 2020, India - on the contrary - witnessed a 50% increase in the demand for online work compared to the beginning of 2020, as well as an increase in the availability of platform labour. Three factors might explain these trends, as per the ILO's WESO 2021 report.

First, there is a general increase in the demand for online web-based platform jobs attributable to companies switching to a remote working environment, and cost-saving measures by businesses witnessing reduced revenues.

Second, the pandemic-induced lockdowns have drastically increased the demand for delivery services (WEF, 2021). In fact, cities and platform businesses formed social partnerships to keep communities connected through the different phases of lockdowns. A 2020 study documented global evidence of the ways in which platforms and platform workers delivered food, groceries, and medicines to the elderly and other vulnerable populations, and how platforms prioritised the mobility of healthcare workers and other frontline soldiers in the time of crisis (Raman & Ramachandran, 2021).

Third and uniquely so, India has witnessed a steep increase in the number of registered workers for all platform-based occupations, except professional services, at the onset of the Covid-19 pandemic. This general increase in labour supply unaffected by seasonal patterns, and in contrast to what is observed globally, is in response to the steadily growing demand for such platform-based services locally and regionally (ILO, 2021).

Reinforcing these trends - especially on the labour availability side - are the underlying characteristics of the platform economy: platform jobs have low-entry barriers, and cater to the needs and aspirations of workers with varying degrees of skill sets (Ramachandran & Raman, 2021). While online web-based platform jobs have a high degree of complexity (WEF, 2020), location-specific platform jobs - such as delivery or driving - can be performed by workers traditionally regarded as semi-skilled. Thus, individuals armed with an internet-enabled smartphone and a vehicle (motorised or even non-motorised), can monetise their assets at will, and thereby become platform workers (Sundararajan, 2016; Raman & Kulkarni, 2021). Assets here refer to the physical assets of vehicles, for instance, and the human capital (asset) of transferable skills such as driving, interpersonal communication skills, etc. (Ramachandran, Singh & Narain, 2021). Platforms afford flexibility and choice of work to all. Combined with having low-entry barriers as specified above, platforms constitute lucrative sources of remuneration for the masses (ILO, 2021; Ramachandran & Raman, 2021).

No wonder, India is a fertile ground for platform jobs. Between 2010 and 2018, mobility aggregators - Ola and Uber - alone created 2.2 million jobs in the country (Pradhan, 2019). These included driving jobs using taxi-cabs, auto-rickshaws, and the ubiquitous two-wheelers (scooters and motorbikes) as taxis. By early 2020, Ola bike-taxi service was operational in 200 cities in India and engaging over 300,000 bike partners. Another bike-taxi company, Rapido, was present in over 90 cities as of March 2020, with 500,000 driver-partners catering to 10 million customers (Raman, 2020). Dunzo, the fast-growing on-demand quick commerce platform, used to engage 18,000 active delivery partners including cyclists in late 2019 (Apurva, 2019), and has reported a 40-times growth in the period 2019-'21, fuelled by the pandemic-induced surge in demand for convenience and availability of platform labour (Akolawala, 2021; BusinessWire, 2021). Such accelerated growth appears to be the cornerstone of platform businesses across sectors, including the restaurant aggregation, and food delivery domains as well. Zomato<sup>1</sup>, for instance, reported earning INR 2,604 crores in the financial year 2019-'20, signifying a 5.5-times growth from 2017-'18. The platform witnessed 10.7 million active customers ordering food every month from 131,233 active restaurants, and served by 161,637 active delivery partners (Alawadhi & Abrar, 2021). Similarly, the platform Swiggy, which has diversified its business to include grocery delivery and package transfers

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<sup>1</sup> Notably, Zomato's Initial Public Offering (IPO) was opened from July 14 to July 16, 2021.

in addition to food delivery, reported engaging 150,000 delivery partners as of June 2021 (PTI, 2021). Notwithstanding the small- and medium-sized platforms offering passenger mobility and delivery services across India, the aforementioned major platform businesses in the said domain alone engage 3,329,637 workers, i.e. over 3.3 million workers<sup>2</sup>.

This workforce of 3.3 million platform workers in the digitalised<sup>3</sup> passenger mobility and hyperlocal delivery services, with the potential to grow in the years to come, is higher than the 1.254 million employees engaged by the Indian Railways, India's largest and the world's eighth-largest employer (Ministry of Railways, 2021), and the 500,000 headcount of the Tata Consultancy Services, India's largest private-sector employer (ET Bureau, 2021). The massive size of the platform workforce in India and elsewhere invariably attracts close scrutiny. Undoubtedly, the advent of digital platforms has transformed the nature of work in the 21<sup>st</sup> century. But what are the attributes of this new form of labour? What are the traits of a new-age worker engaged in platform labour? How do the platform worker's characteristics differ from those of a non-platform worker? What are the enablers and barriers of entry to the platform workforce? Overall, what is the impact of digitalisation on lives, livelihoods, and the economy? These are fundamental questions necessary for economies to answer before beginning to govern platforms and platform workforce.

Using evidence from empirical studies conducted in India and elsewhere between 2019 and 2021, this article presents brief answers to the aforementioned questions. Further, it delineates the role of the policymaker in unlocking jobs in the platform economy, and propelling India's post-Covid recovery. In this context, India's latest labour legislation, the Code on Social Security, 2020, gains significance. What are the implications of this new law for Indian platform businesses and workers, and what lessons can the rest of the world learn from India's historic move, are covered in the latter half of this article. The article concludes with recommendations of policy measures that the central and state governments can adopt to promote platform economy, while leveraging and protecting platform workers.

## 2. Demystifying Platform Labour

The labour market of contemporary times has two new categories of work, gig and platform work respectively. India's Code on Social Security, 2020, defines gig work as the form of labour outside the traditional employer-employee relationship.

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<sup>2</sup> Back-of-the-envelope estimates. Workers can work for more than one platform at a time. Enumeration of unique platform workers in India to be streamlined after the implementation of CoSS 2020.

<sup>3</sup> There's a difference between 'digitisation' and 'digitalisation'. While the former involves activities like scanning a restaurant bill, for instance, the latter involves leveraging the digitised data to improve business processes and economic outcomes (Ramachandran, 2020a).



Further, platform labour is a type of gig work where individuals use the medium of digital platforms to earn a living (Ministry of Labour and Employment, 2020).

Labour platforms are at the heart of the digital economy, powered by smartphones, low-cost data, and the Indian government successfully catalysing the expansion of Digital India through its Jan Dhan-Aadhaar-Mobile initiative (Ramachandran & Raman, 2021). Invariably, platforms are marked by distinctive traits of the digital economy. In the mobility economy, for instance, passenger mobility platforms are avenues where asset-owners or asset-heavy workers cater to asset-light commuters. India witnesses a low penetration of private vehicles at a meagre 22 cars per 1,000 population, and 102 two-wheelers (mopeds, scooters, and motorbikes) per 1,000 population (Raman, 2020). At the same time, rapid urbanisation and unfettered motorisation are posing traffic congestion, pollution, and associated health and socio-economic challenges in urban agglomerations. To help citizens access education and employment-based opportunities across a city, mobility platforms or mobility aggregators provide a crucial service. One does not require the ownership of a vehicle to access opportunities. But the access to a mobility asset alone is sufficient (Shah, 2019). At scale, such sharing of vehicular assets makes mobility affordable to all, while unlocking remunerative opportunities for the asset-owner. Platforms, thus, democratise the access to mobility services and earning opportunities. As the number of mobility workers (vehicle owners and drivers) and mobility consumers (passengers) increases and reaches a critical mass, platforms are able to create and leverage network effects. Undoubtedly, data is integral to platforms businesses. Mobility platforms use data to enhance passenger and driver experience, for instance. Platforms are, thus, shaped by the features of the digital economy comprising asset-lightness, network effects, datafication, and mobility (ILO, 2021).

By their very nature, platforms afford flexibility and choice of labour to their workers (WEF, 2020; ILO, 2021; Ramachandran & Raman, 2021). Platforms empower workers to monetise their assets when and where they want. These assets can take the shape of the tangible real estate (a spare room in one's house, for instance) or vehicle, on the one hand, and the more intangible human capital such as skills (driving, cooking, plumbing, beauty and wellness skills, etc.), on the other (Sundararajan, 2016; Ramachandran, Singh & Narain, 2021). Flexibility and choice as the core characteristics of platform work, make this new-age labour attractive for the masses. Recent studies corroborate this observation with empirical evidence. The ILO's WESO 2021 report, which draws on the findings of surveys conducted among 12,000 workers in 100 countries, notes job flexibility as one of the main motivating factors for platform workers. Other main factors include better pay compared to other available jobs, and lack of alternative employment opportunities.

Closer home, a first-of-its kind large-scale study conducted by the Ola Mobility Institute (OMI) considered survey responses from 3,300 platform workers, and

1,700 non-platform workers interviewed across 12 Indian cities, between 2019 and 2020. The comparative study - of platform workers (experiment group) and non-platform workers (control group) exclusively in the mobility economy - reveals job flexibility, added income, and no alternative job as the main motivations for joining platforms (Table 1) (Ramachandran & Raman, 2021).

**Table 1**  
**Distribution of Platform Workers by the Factors Motivating Them**

Factors motivating platform workers	Percentage
Want to be an entrepreneur/ my own boss/ flexibility of hours	49.2%
Pay for college or save for dependents	22.5%
Lost my job and doing platform work till I get a new job	9.1%
I like my job	7.5%
Assured income and the ability to have my own asset	6.1%
Others	5.3%
Friends and relatives are with a platform	0.3%

*Source:* Ramachandran & Raman, 2021.

Job flexibility or the preference or need to work from home is particularly important for women in developing and developed countries alike, notes the ILO in its WESO 2021 report. Primary data collected by the IWWAGE in late 2019 involving 88 of the 8,000 women workers of the professional home services platform, Urban Company, too confirms this finding, with 85% of the women interviewed reporting satisfaction with flexible timings (IWWAGE, 2020). A sociological enquiry by the OMI in 2021, investigating the interplay of gender and asset ownership in the platform economy, finds that the platform economy offers two distinct advantages - asset monetisation and flexibility - which have remained elusive in traditional models. Additionally, platforms augment asset ownership, further catalysing women's labour force participation. Thus, labour force participation is no longer a binary decision between household duties and economic aspirations, but women now have the choice to work at will (Raman & Kulkarni, 2021).

Indeed, maximisation of asset utilisation - wherein an existing asset is put to remunerative use - and augmentation of asset ownership are hallmarks of the platform economy. The OMI survey of 5,000 platform and non-platform workers is revealing. 62% platform workers compared to 51% non-platform workers reported owning a vehicle. As the age of the worker increases, asset ownership too improves, with the gap between the platform and non-platform workers persisting as shown in Table 2.

**Table 2**  
**Distribution of Platform and Non-Platform Workers in the Mobility Economy by the Ownership of Asset (vehicles) Across Age Cohorts**

Age	Owns vehicle being driven		Does not own vehicle being driven	
	Platform worker	Non-platform worker	Platform worker	Non-platform worker
18 - 25 years	53%	45%	47%	55%
26 - 45 years	64%	52%	36%	48%
46 - 65 years	72%	55%	28%	45%
Above 65 years	80%	65%	20%	35%

Source: Ramachandran & Raman, 2021.

The OMI study also finds that asset ownership directly impacts the earnings of the worker - platform or otherwise. While platform workers report earning substantially higher than non-platform workers overall (Table 3), self-employed workers - i.e. those who own their assets - report earning more than the wage workers - i.e. those who are employed to operate an asset - in the platform and non-platform economies alike, with self-employed non-platform workers earning less than platform-based wage workers.

**Table 3**  
**Distribution of Platform and Non-platform Workers by their Reported Daily Earnings**

Worker category	Self-Reported Daily Earnings (INR)					
	Up to 500	501 - 1,000	1,001 - 1,500	1,501 - 2,000	Greater than 2,000	Total
Platform Workers	11.0%	45.6%	20.0%	9.8%	13.6%	100%
Non-platform workers	36.6%	63.4%	0%	0%	0%	100%

Source: Ramachandran & Raman, 2021.

The network effect of platforms - higher discoverability and visibility afforded by platform tech (a chief characteristic of platforms as mentioned earlier in this article) - empowers workers to earn higher compared to their non-platform counterparts.

Such higher earnings draw individuals with a higher number of dependents than others to platform jobs. The earnings from the platform are critical for the platform worker to support their family members, finds the OMI study on the platform economy. While incomes stagnate for the non-platform workers, higher

earnings from platforms help platform workers support an increasing number of dependents (Ramachandran & Raman, 2021).

Overall, platforms afford a lucrative livelihood option compared to the larger trend in India: The Periodic Labour Force Survey (PLFS) 2017-18 reports that 45% of regular workers earn less than INR 10,000 per month, while around 12% of casual workers were paid less than INR 5,000 monthly (ET Online, 2019). These statistics highlight the urgent need to lift families farther away from subsistence earning and to real wages (Ramachandran & Raman, 2021). The platform economy affords that very opportunity to India. As discussed earlier, platforms democratise access to jobs, and thereby, adhere to the canons of fair play and equal opportunity. Notably, the right to “practise any profession, or to carry on any occupation, trade or business” is a fundamental right<sup>4</sup> enshrined in the Indian Constitution. The central and state governments in India can, thus, leverage digital platforms to unlock livelihood opportunities for the masses, and protect every citizen’s fundamental right to work.

### **3. Beyond Formal-Informal Dualism: The Need for a New Frame of Reference to Measure Dignity of Life and Livelihoods**

Platforms are able to afford job flexibility and choice, and high earnings compared to existing alternatives by design. Notwithstanding the characteristics of the digital economy - maximisation of asset utilisation, network effect, datafication, and mobility - that shape the platform economy, as seen earlier, the fact that platforms are able to scale rapidly within and across geographies and sectors is by virtue of their operating outside the traditional “employer - employee” relationship. This brings the larger question of the utility of the existing dichotomies of “formal-informal”, “organised-unorganised” to the centre stage of the platform economy and governance debate plaguing the world, except India, as shall be unpacked in the coming sections.

Labour market is traditionally arranged as formal and informal. Simply put, formal work involves an employer hiring an employee under an established working agreement that includes salary or wages, health benefits, defined work hours and workdays, and retirement benefits, among others. The inverse refers to informal work. Studies have well established that labour classification based on the economic dualism of formal and informal does not work anywhere in the world. In fact, there is a strong relationship between the political and economic past of the country and its arrangement of the labour market in contemporary times (Peattie, 1987; Chen, 2012).

For instance, the present day labour market in India structured along organised and unorganised sectors with formal (regular) and informal (casual) workers is the product of colonial industrial manufacturing and the simultaneous existence of petty production (Ramachandran & Raman, 2021). This arrangement is historic

<sup>4</sup> Article 19(1)(g) of the Indian Constitution.

as well as one of need. The necessity is derived from how the linkages between the informal economy - engaging 92% of India's workers (Ramana Murthy, 2019) - and the formal economy keep the cost of production low. The concept of formal-organised jobs of the factory floor, unfortunately has been exported to other sectors, especially the services sector, in a context-bereft fashion. This has given rise to the problematic application of manufacturing-era concepts or ideas to define and "secure" labour in the services sector as well.

Another issue that the dichotomy of formal-informal creates is the exaggerated importance given to wage labour instead of valuing both wage- and self-employment. The Anthropologist and Urbanist, Peattie (1987), notes in her seminal work on the formal-informal dualism, how the aforementioned overemphasis on wage employment has resulted in the "informal sector" enterprises as being regarded as income sources for those lacking wage employment, and almost as a euphemism for the "poor". Although said dualism has gained currency over the years, the belief in this dichotomy results in decision makers failing to recognise the potential of job creation or economic growth of these "informal" enterprises. And how the boundaries between "formal" and "informal" sectors are often blurred. Consider the disconnect between output and employment in India's manufacturing sector. While the "formal" sector accounts for 80% of India's manufacturing output, it is the "informal" sector<sup>5</sup> that accounts for over 80% and 99% of Indian manufacturing employment and establishments, respectively (Ghani et al., 2015).

As seen earlier, "formal" and "informal" interact closely, and are complementary to each other. "Informal" businesses are the cheap links in the formal companies' supply chains (Ramachandran & Raman, 2021). Therefore, it is crucial to reduce the incentives to an employer to remain in the "informal" sector by reimagining social safety nets and dissociating "benefits" from employment (Chowdhry & Tantri, 2020). Overall, the prudent thing to do is to upgrade the "informal" sector, instead of regulating it with a heavy hand. For, the cost of adhering to regulation and taxes will not only add to the cost of production but will also render the informal sector unviable. Steps like improving infrastructure, boosting skills and know-how, and providing access to financial services need to be adopted (Himanshu, 2017).

It was only in the 2010s that the role of the small enterprise was recognised and acknowledged. In fact, the pandemic-induced lockdown of 2020 further revealed just how crucial the small enterprise is to India's economic output, overall contributing to about 30% of the GDP and providing 110 million jobs in the country (Mukul et al., 2020). Globally, 7 out of 10 workers are self-employed or in small businesses, as per the ILO. Data gathered in 99 countries found that these so-called 'small economic units' together account for 70% of total employment,

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<sup>5</sup> The informal sector comprises establishments with 10 workers or less that use electricity, or 20 workers or less without electricity.

making them by far the most important drivers of job creation. Therefore, small economic units should be a central part of economic and social development strategies. It is imperative to understand that enterprise productivity is shaped by a wider “ecosystem”, facilitating access to finance and markets, advancing women’s entrepreneurship, and enabling access to social security, encouraging the transition towards environmental sustainability (ILO, 2019).

Platform companies recognise this lacuna and have positioned their business as a facilitator of small enterprises and the self-employed. As presented elsewhere in this article, platforms provide a realistic alternative to an economy short of good jobs, with the assurance of earnings and self-reliance (Ramachandran & Raman, 2021). Platforms can, therefore, be leveraged to reframe the economy.

#### **4. COSS 2020: Imparting Valuable Lessons to the World by Reinventing Social Security**

In a historic move in 2019-’20, the Government of India ushered in a new era of labour governance. The decisive labour reform of assimilating 44 Union labour laws into four Codes - one each on Wages; Occupational Safety, Health and Working Conditions; Social Security; and Industrial Relations - has resulted in a complete overhaul of India’s labour regulations. By enacting the Code on Social Security, 2020 (CoSS 2020), India is the first country globally to mandate social protection for all workers, including the new-age gig and platform workers (Ministry of Labour and Employment, 2021). In a landmark initiative benefitting half-a-billion workers, India has catapulted its social security regime to the 21<sup>st</sup> century.

CoSS 2020 has replaced multitudinous, archaic and overlapping legislation regarding the social security provisions for workers and their families (Ramachandran, Raman & Singh, 2021). Traditionally, social security has been tied to employment, as seen in the case of formal employees enjoying pay and retirement and healthcare benefits, among others. Such a regime has rendered over 92% of the Indian workforce, i.e. those in the unorganised, informal sectors (Ramana Murthy, 2019), unprotected. Linking social security to employment has led to the simultaneous existence of two classes of workers within the low-income group (i.e. those earning less than INR 1.8 lakhs per annum). The first segment has access to family health benefits and retirement plans through Employee State Insurance & Employee Provident Fund, whereas the other does not have such statutory protections. The statutory protections are a combination of the contributions made by the worker, employer, and central and state governments (Ramachandran, Raman & Singh, 2021).

The deductions made from the salaries of the formal, organised employees in the low-income group fund massive public corpuses such as the Employee Provident Fund Organisation (EPFO) and the Employee State Insurance Corporation (ESIC).



In other words, the current system takes a portion of the earnings away from the lowest paid workers to fund socialised programmes (ibid). Owing to operational issues- both structural and functional- the EPFO and ESIC harbour massive unutilised amounts- at INR 26,497 crores and INR 68,292 crores respectively (ET Now Digital, 2020; Ray, 2020).

This necessitates an overhaul of India's prevailing social security system, a feat initiated by CoSS 2020. As mentioned earlier, the labour legislation of the past focuses on deciding exclusionary criteria, rather than attempting to bring the maximum number of workers within its fold. This has had disastrous ripple effects through the economy for decades, through mandating maximum earning ceilings, collecting salary deductions languishing as unspent funds, and not creating institutional incentives to dole out social security gains. The newly minted law, on the other hand, puts the debate on worker classifications to rest and mandates social protection for all workers including the new-age gig and platform workers (Ramachandran, Raman & Singh, 2021).

CoSS 2020 makes an important distinction among 21<sup>st</sup> century workers; it defines gig workers as "those earning from and participating in work arrangements outside of traditional employer-employee relationships" and platform workers as those gig workers engaged with digital platforms (Ministry of Labour and Employment, 2020). Further, CoSS 2020 reflects the dynamism of the labour market and decrees tripartite roles for the worker, job-creator, and the State in ensuring secured futures for labour. Both these initiatives are absent in other global efforts to govern labour, leading to unintended consequences in large digital economies such as California, France, Spain, and the UK.

Consider the case of these digital economies closely. Within months of India enacting CoSS 2020, the US state of California voted to keep rideshare and delivery industry workers as independent contractors during the November '20 election cycle. In doing so, Californians embraced Proposition-22 (Prop-22), put forward by platform businesses and platform workers, and repealed the less popular Assembly Bill 5 (AB-5) legislation which mandated platforms treat their workers as employees. AB-5 - which extends factory-floor-classification of workers to the service industry - found analogous applications in France and Spain too, and inadvertently led to job losses in the broader gig economy (Lin, 2019). Over 100 exemptions have been amended to AB-5 over the past year, illustrating the struggles of applying a "100-year-old solution to a modern problem" (Oncidi, Gold & Deserio, 2020; Raman & Ramachandran, 2020c).

Prop-22 makes 'The Protect App-Based Drivers and Services Act' the law of the land. Rideshare and delivery workers continue to be flexible, gig-based workers while also gaining economic security. Worker protection takes the form of assured earnings, healthcare subsidies, vehicle expense compensation, occupational accident insurance, and protection against discrimination or harassment, owed

by the platform company. This is but the first step that California and the rest of the USA can take in the direction of universalised social security (Raman & Ramachandran, 2020c).

Closer home, with the passage of the Code on Social Security (CoSS) 2020, policymakers have managed to catapult the imagination of financial and social security associated with employment to contemporary realities. Unlike California, India goes a step further in reimagining social protection in the 21st century. California could well adopt some lessons from CoSS 2020 to widen the scope of reforms being proposed via Prop-22 (*ibid*).

As specified earlier, a major lesson includes replacing the formal-informal dichotomy with new worker classification that truly reflects the characteristics of the fast-evolving nature of work in the 21<sup>st</sup> century. The issue of labour taxonomy gains critical significance today with digital platforms changing the very nature of work. By affording independence, flexibility and choice, gigs and platforms have created a new form of work outside the traditional employer-employee arrangement (*ibid*). The second and third lessons - as shall be seen in the upcoming paragraphs - pertain to distinguishing platform workers from unorganised, informal workers, and adopting innovative social security schemes that decouple social protection from employment, and makes social security progressively universal and portable.

Remarkably, gig and platform workers have secured visibility through CoSS 2020. This law recognises platform workers as a step up from unorganised, informal workers commonly referred to as independent contractors elsewhere. For, platform workers enjoy independence, agency, and guaranteed payments by the clients upon completion of service (Raman & Ramachandran, 2020b). Thus, CoSS 2020 responds to calls for “effective ways to blunt self-exploitation” in India by making self-employment lucrative, and by fully harnessing the power of digital platforms (Sabharwal & Chakrabarty, 2019). An important rebound strategy post-Covid is the recognition that “India has a wages problem, rather than a jobs problem” (Swarajya, 2016). India can achieve economic recovery and growth by leveraging platforms to address this gap. Platforms enable market access to hundreds of millions of individuals who have the drive to maximise the utilisation of the assets they own or invest in new assets, making them successful self-employed actors with secure futures (Ramachandran, Raman & Singh, 2021).

Overall, the introduction of the CoSS 2020 leads the labour regulatory regime away from centuries-old restrictive worker classification that creates two types of labour- those that are protected with secure jobs and futures, and those that are not. The time has come for all workers to be entitled to social and financial protection and this requires a complete overhaul of the systems that disenfranchise workers who do not commit all their working time to one employer. CoSS 2020 is the first step in this direction as it extends social protection to all workers, making India



the first country to recognise new types of workers and mandate protection for them (ibid).

Combined with defining such workers as different from traditional employees and unorganised sector workers, CoSS 2020 is necessitating the adoption of cutting-edge solutions to provide social security for all. CoSS 2020, impacting the lives and livelihoods of over 500 million workers, contemplates the creation of a centralised corpus fund into which workers, platform businesses, and the government contribute. Workers register with the fund and avail benefits directly, while the job-creator, i.e. the digital platform, remains a mediator (Raman & Ramachandran, 2020b). This helps CoSS 2020 achieve the principles of progressive universalism and portability of social protection, allowing millions of workers to access social security bypassing their job-creator (World Bank, 2019; Ramachandran, 2020b). This new legislation has brought about a paradigm shift in labour relations and governance wherein new forms of labour are recognised outside the traditional dichotomy of formal-informal, and social protection is delinked from employment, in an unprecedented fashion.

In 2018, two key trends emerged: India entered a 37-year-long demographic dividend (Thakur, 2019), and simultaneously smashed all smartphone ownership records with over 500 million Indians, approximately 41 % of the population, having access to data (Mathur, 2020). The implications of these technological transformations are manifest in the way Indians access work, education, entertainment, public services, healthcare, and finance; and digital platforms have touched each of these sectors (Raman & Ramachandran, 2020b). The platformization of the everyday is creating digital jobs that are flexible and increase remunerative opportunities via platform-led transformational skilling (Ramachandran & Raman, 2021). By their very nature, platforms have a wide reach and nearly no entry barriers for workers. The multiplier effects in the platform economy are many – affecting the over 3.3 million workers presently engaged in platforms like Ola, Urban Company, Swiggy, Zomato, Dunzo, etc. across 200 cities and counting.

The highly visible platform workers were hitherto only protected by platform businesses, which cushioned them from reduced earnings, covered accidents, medical costs for family, and more (Raman & Ramachandran, 2020a). Today, platform workers in India are guaranteed social protection by law. The manner in which social protection for platform workers is envisaged as progressively universal and portable is a testament to India's vision in truly reimagining social protection in the 21<sup>st</sup> century.

For the 21<sup>st</sup>-century worker, CoSS 2020 lays the foundation for delinking social security from employment and universalising it. The prevailing standard of "employment" provides wages as well as social security in the form of retirement benefits, and health, accident, life insurance etc. This form of social security coupled with employment makes job creation expensive, and renders people vulnerable during times of massive job losses such as this pandemic. Therefore,

it is discouraging to see global economies uncritically applying archaic notions of labour governance to new-age disruptions (Raman & Ramachandran, 2020c).

India, by enacting CoSS 2020, has become the only country globally to mandate social protection for all workers including the new-age gig and platform workers. This epochal initiative is worthy of replication around the world. Indeed, developed and developing countries alike have lessons to learn from India's innovative ways to protect all its workers, including the new-age gig and platform workers.

## 5. Promoting and Protecting Platform Work through CoSS 2020 - Guiding Principles for Implementation

The Code on Social Security 2020 is an effective reimagination and reinvention of social protection in the 21<sup>st</sup> century. This epochal legislation- benefiting half a billion workers- has catapulted India's social security regime from the centuries' old manufacturing era to the contemporary platforms era. CoSS 2020 delinks social protection from employment, creating an inflection point in the evolution of platform-work and its ability to unlock livelihood opportunities in the billions (ibid). Thus, India is on the right path to balance worker rights with the need for job creation.

The manner in which India- with one of the world's largest and youngest working populations- implements the envisaged social security system will be the ultimate litmus test to determine what approaches work for the entire world. India must adopt guiding principles while designing social protection that is progressively universal, portable, and most importantly inclusive (World Bank, 2019; Raman & Ramachandran, 2020b).

As Central and State governments formulate rules and regulations under CoSS 2020, they could adopt the five-pronged **RAISE approach** to ensure realisation of full access to social security for all gig and platform workers<sup>6</sup>.

- *Recognise the varied nature of platform work to design equitable schemes*

Platform businesses within and across industries are inherently different in their nature of work. Further, platform workers can be associated with multiple platforms simultaneously or in different time periods through the year and through their lifetime. Additionally, an individual could be both a platform worker and employed in the organised or unorganised sectors simultaneously. These factors should be taken into consideration while designing schemes that determine the contribution of funds to the central social protection corpus.

In other words, the government must recognise the inherent difference amongst platforms and design the rules in a manner that benefits both the platforms and

<sup>6</sup> The following is an excerpt from Issue Brief, "Reimagining Social Protection in the 21st century: Operationalising the Code on Social Security 2020", by the Ola Mobility Institute (Ramachandran, Raman & Singh, 2021) reproduced with permission.

workers equitably. The government must also consider that workers can have multiple jobs and accordingly design social protection schemes that are inclusive and afford maximum coverage. This would ensure flexibility of the worker to engage with multiple kinds of work and achieve greater income security.

- *Allow augmentation of social security through innovative financing mechanisms*

Social security schemes must be designed in a way that allows platform workers the choice to avail additional social protection cover such as health or life insurance through financial institutions like insurance companies, banks, NBFCs, new-age fintech businesses, etc.

Despite India having the world's largest healthcare programme, viz. Ayushman Bharat targeting over 540 million Indians, 60% of the population incurs out of pocket (OOP) expenditure<sup>7</sup>. Studies by the Brookings Institute and Tata Institute of Social Sciences as well as data from the National Sample Survey Office and others show that the OOP expenditure incurred by India's middle class and those at the bottom of the pyramid is high and on the rise (Pandey, 2018; Prinja, Kaur & Kumar, 2012). Between 2004 and 2014, the OOP expenditure grew by 77%. Surprisingly, those who are insured spend at least 33% more than those who aren't. This is because most of the current health insurance programmes focus on secondary and tertiary care, while neglecting the need to make primary care accessible and affordable for all (Esposito, Kapoor & Goyal, 2012). Furthermore, most of the schemes target only the poorer sections of the society.

Thus, to adequately address the healthcare needs of India's burgeoning middle-class population, public and private healthcare providers and insurance companies must come together to provide quality healthcare for all (Ballal, 2020). Today, fintech companies such as Avail Finance are making insurance accessible and affordable to platform workers and blue-collared workers across industries (Mishra, 2020). By adding millions of youngsters to the pool of those insured, such micro-insurance, tech-powered initiatives are lowering the risk and the insurance premium by extension.

For platform workers who shall be protected under the Code on Social Security, the option of choosing top-ups empowers the worker to secure cover for other beneficiaries apart from the ones covered in the scheme, and also cater to healthcare

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<sup>7</sup> Ayushman Bharat is a flagship scheme of the Government of India launched to achieve the vision of Universal Health Coverage. Ayushman Bharat has two interrelated components: health and wellness centres and Pradhan Mantri Jan ArogyaYojana (PM-JAY). While the centres are work in progress, PM-JAY aims to provide free healthcare access to 40% of India's population, those at the bottom of the pyramid. As of December 20, 2020, a total of 128+ million e-cards were issued under PM-JAY and state government-sponsored health insurance programmes, with PM-JAY constituting 70% of the enrollment. <https://pmjay.gov.in/>

expenses not covered by the government schemes. Therefore, platform workers should be allowed to top up insurance limits through voluntary additional premiums in the public or the private sectors.

Additionally, the government can leverage the power of UPI, India Stack and JAM to combine products like the National Pension Scheme, Atal Pension Yojana with insurance and a liquid mutual fund. This provides workers an opportunity to redirect their earnings towards savings. This form of nurturing of higher savings habits through creative means prevents debt traps while meeting emergency expenses.

Lastly, the government must articulate necessary legal language to ensure that any sort of additional covers that platforms provide their workers are not construed as evidence of (traditional) employment.

- *Institutionalise a scientific approach while designing schemes, factoring the impact on job creation, platform businesses and workers*

The very nature of platform work has ensured the creation of millions of livelihood opportunities, giving workers the flexibility to increase their incomes from multiple jobs. Furthermore, platforms may not be limited to only one business and could have multiple businesses that may or may not engage platform workers. Therefore, it is imperative that the government adopts a scientific approach to determine contributions to the social security fund. Such an approach may promote job creation and ensure minimum burden on both workers and platform businesses.

- *Support workers to subscribe to government schemes and welfare programmes through widespread awareness campaigns*

Research suggests that a lack of awareness of social protection schemes contributes to the poor efficacy (uptake and utilisation) of large-scale programmes such as those designed in India. A 2019 United Nations study carried out by the Agewell Foundation found that, of the 10,000 men and women eligible for government schemes and interviewed across rural and urban India, over 65% were unaware of or dissatisfied with the financial security measures taken by the government and over 52% were unaware of or dissatisfied with the social security schemes (Agewell Research and Advocacy Centre, 2019).

In April 2020, in response to the dual health-cum-economic crisis of Covid-19, the ESIC introduced three new schemes allowing beneficiaries to access non-ESI hospitals for secondary care and private chemists for medicines, and affording an extension to the employer for filing ESI contributions. A May 2020 rapid survey of 96 workers by Safe in India Foundation revealed that over 75% of the fee-paying members of ESI were unaware of these schemes launched to assist them (Safe in India Foundation, 2020).

Therefore, Information, Education and Communication are key to increasing the awareness and utilisation of social security schemes (Nivedita, et al.,

2015). As the Code on Social Security 2020 is operationalised, gig and platform workers too need to be updated with all relevant social security benefits they can avail. The schemes must detail strong awareness programmes in a manner that government information reaches each and every worker. Effective and widespread communication is essential to raise awareness and ensure every worker in India is truly protected.

- *Ensure benefits are readily accessible to workers*

Platform workers are mobile i.e. they can simultaneously work on multiple platforms or in different states at different time periods. They can also work in the organised or unorganised sectors on the side. Such mobility makes workers vulnerable to local-level policy differences in accessing complete social security benefits. Therefore, to ensure that benefits are easily accessed by workers, the government must design universal and portable social security.

Here, India should leverage technology. India is a global trailblazer in fostering digital financial inclusion through the unique IndiaStack platform for financial transactions and Direct Benefit Transfers. Likewise, while operationalising CoSS 2020, layering technology through all the stages of accessing a scheme would streamline distribution of funds. Harnessing the power of technology, disbursement of funds and grievance redressal can be achieved for the digitally-proficient platform workers across India. The government-envisaged registry of workers can be used to create a 'Unique Identity (UID) for Work', which when combined with technology can streamline benefit distribution. This shall build on the successful, universal, robust and transformational foundation laid by India's Jan Dhan - Aadhaar - Mobile (JAM) Trinity.

Overall, RAISE is a forward-looking agenda which seeks to build worker welfare and increase incomes across the board. With a progressive view towards platform work, such as suggested by RAISE, it is possible to collectively lift the fortunes of many low-income workers as it involves a longstanding demand for wider social security coverage. Platform work in economies like India can act as the first data impressions of an otherwise dispersed workforce; so sensitively regulating platform work is essential to induct millions of workers into the "formal" fore, and to achieve universal social security coverage.

The government should enhance individuals' access to institutional credit and promote financial inclusion. For India to be able to fully benefit from the shifting paradigms of mobility and the resulting mobility economy, it must eliminate cost barriers to the means of livelihood. A major need in this regard is to expand access to credit and achieve financial inclusion, by having formal lenders, i.e. banks, transition from asset-based lending to cash flow-based lending. Thus, unsecured loans to first-time borrowers participating in the platform economy may be classified as Priority Sector Lending (PSL).



Such a measure would strengthen India's complementary financial inclusion programmes such as MUDRA, and mainstream formal lending to individuals leveraging platforms to earn a living.

Today, lenders may utilise data available with platforms to profile workers and estimate their creditworthiness. New age companies, banks and micro-finance institutions (MFIs) may, thus, develop innovative products including loans for individuals with intermittent but predictable income, or tools for running freelancer businesses. The platformization of the everyday must go hand-in-hand with the financialization of everything. Formal credit access may be provided to access a vehicular asset, smartphone, and/ or to run the business in the platform economy through design of targeted programmes (Ramachandran & Raman, 2021).

## **6. Conclusion: India's 21st-Century Policies Fuel the Growth of Self-Employment through Platforms**

India's platform economy, engaging over 3.3 million-strong workforce today, is expected to contribute USD 500 billion to the economy by 2025 (McKinsey Global Institute, 2019). The largest platform economy markets in the world today - Europe and the US - already have 162 million people engaging in some form of gig and platform work (McKinsey Global Institute, 2016). Furthermore, nearly 40% of workers in the USA - including part-time workers and multiple job holders - have a gig or platform work arrangement in some capacity (Gallup, 2018). India, on its part, has the demographic dividend as its advantage, and is well poised to become a global leader in new-age jobs powered by its innovative policy, CoSS 2020, fuelling the growth of the platform economy, simultaneously promoting and protecting platform labour.

Platform jobs afford flexibility and choice of labour to workers, benefitting all including women and other marginalised groups such as persons with disabilities. Platforms successfully help reframe the role of women in private and public life. Platforms are not mere matching services in India, rather also carry huge employment potential, to create avenues of earning for those associated with them. Platforms democratise access to jobs; they have low entry barriers, and adhere to the canons of fair play and equal opportunity. Platforms help maximise the utilisation of assets and augment asset ownership. They create self-employment, opportunities to improve or add on to one's income vis-a-vis paid employment. Notably, in the absence of robust social security mechanisms, having a job itself becomes the social safety tool - and consequently, a worker is "self-employed" even if unproductive, simply because they cannot afford not having a job (Sabharwal & Chakravarty, 2019). Platforms constitute the tool that effectively blunts self-exploitation among the masses. Platforms offer higher earnings compared to existing alternatives, and also facilitate access to innovative social security and financial inclusion services, including micro-credit and micro-insurance powered by new-age FinTech platforms (Raman & Ramachandran, 2021).

Recognising the important role of the platform economy in driving inclusive growth, and helping build an AtmaNirbhar India, the government enacted the Code on Social Security 2020 legitimising this new form of labour, and catapulting its social security system to the 21<sup>st</sup> century. Building on the urgent need to look beyond the formal-informal dualism, CoSS 2020 delinks social protection from employment, and lays the foundation for social security that is progressively universal and portable. The landmark CoSS 2020 is an inflection point in the evolution of platform-work and its ability to unlock livelihood opportunities in the billions. The manner in which India - with one of the world's largest and youngest working populations - implements the envisaged social security system will be the ultimate litmus test to determine what approaches work for the entire world (Raman & Ramachandran, 2020b). Here, this article recommends operationalising universal and portable social security schemes with inclusion, equitability and scientific determination as guiding principles, and accelerating financial inclusion by enhancing access to cash-flow-based institutional credit.

Indeed, India's new policy approach serves as a potential blueprint for world economies to consider. Its 21<sup>st</sup>-century outlook tackles the problem of labour governance at its very core by balancing the need to protect workers with the necessity to unlock jobs in the billions.

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## Youth in 'Not in Employment, Education and Training' (NEET) Category in India: Emerging Trends, Characteristics and Correlates

Partha Pratim Sahu\* and Manik Kumar\*\*

*'Youth bulge' has emerged as a global phenomenon. However, due to inadequate employment and entrepreneurship opportunities on the one hand and appropriate education and training facilities on the other, a large proportion of youth in the age cohort of 15 to 29 years are pushed to the category of 'Not in Employment, Education and Training' (NEET). Although proportion of youth in NEET category is rising, there is a lack of adequate research on this issue in the developing countries, including India. Using the employment and unemployment data of the National Sample Survey Office (NSSO) for the years 2004-05, 2011-12 and 2017-18, this paper attempts to profile the youth in the NEET category by various individual and household characteristics such as gender, social group, religion, education and monthly per capita expenditure (MPCE) categories. The study also undertakes an econometric exercise to understand the correlates and determinants of youth in the NEET category. We observe a rising trend in the incidence of NEET, especially for women both in rural and urban areas. A diverse set of variables are determining the likelihood of a youth to fall in the NEET category. The analysis points to key policy imperatives and opens up a rich research agenda.*

**Keywords:** Youth, Employment, 'Not in Employment, Education and Training' (NEET)

### 1. Introduction

'Youth bulge' has emerged as a global phenomenon. One in every five persons in the world fall in the youth age cohort, i.e. 15 -29 years. This demographic trend along with jobless growth has led to a significant proportion of youth being pushed to the category, 'Not in Employment, Education and Training' (NEET)<sup>1</sup>, an indicator being viewed as a measure for understanding employment inadequacies. Lack of relevant skills and work experience, limited financial resources, insufficient job search assistance, and skill mismatches are few of the major causes for this phenomenon. (United Nations, 2003; Matsumoto *et al.*, 2012 and ILO, 2013).

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<sup>1</sup> Others have categorized them as 'All dressed up with nowhere to go'; 'Doing nothing and being nothing'; 'Time pass' and so on (Jeffery C and J Dyson, 2017; Deuchar A, 2014; Jeffery C, 2010).

According to ILO's *Global Employment Trends for Youth 2020*, globally one-fifth of young people (in the age cohort of 15-24) report NEET status. The analysis also highlights that of the substantial numbers of young people who are in NEET category, a large majority are young women. Globally, youth are three times more likely, compared to adults, to be unemployed (ILO, 2020). In addition, young workers continue to face high rates of poverty and are increasingly exposed to non-standard, informal and less secure forms of employment. Although youth are more enthusiastic and early adopters of new technologies, they are also more apprehensive about the possible job losses due to technological advancements and large scale automation. In the wake of pandemic, the situation have further aggravated due to pause in schooling and declining employment opportunities. The implementation of various skill and training programmes of central and state governments, which are meant for youth population, have got severely jeopardized due to the pandemic. The problem of youth unemployment is even more crucial in case of India, as youth (in the age cohort of 15 to 29) constituted nearly 27.5 per cent of the total population and they contribute 34 per cent of India's Gross National Income during 2014 (Govt. of India, 2014).

There is voluminous literature available on various dimensions of youth employment and unemployment. However, with the rise in youth population, a debate has begun among the researchers and policy makers as to whether it can be treated as "demographic dividend", i.e. share of working population significantly increases and simultaneously a sharp decline is experienced in dependency ratio. Any country can achieve sustainable economic and social development through efficient utilization of these human resources (youth). Unless youth are engaged in either human capital generation activities like education, training or income generating activities, it might turn into a "demographic debt or disaster". Demographic debt has both direct economic costs, through unemployment allowance and loss of potential output and social costs, as evidenced by rapid rise in domestic, caste and gender based violence (Kaur, 2010), detachment from local politics and society (Verkaaik, 2004), mental health problems and rising suicides (Andersen, 2016) and drug taking tendency (Bell and Blanch flower, 2011). So, unless youth are mainstreamed into productive activities, it may lead to huge economic and social costs for the society. The issue of youth in NEET category is equally important for developed nations, which spend a significant amount of state budget on unemployment allowances and social security programmes.

Youth labour force participation in India has been on decline. During 2017-18, only 38 and 16 per cent young male and female were participating in labour market respectively. Such a decline could be explained by rise in participation in human capital accruing activity like education, skill and training and rise in inactive share of youth for other reasons other than human capital development, as well as actively looking for job (unemployment).



Existing studies on youth employment can broadly be classified into three streams. First set attempts to highlight the causes of youth unemployment such as low quality of education as well as less skill and inadequate training (Jeffery R *et al*, 2005; Jeffery *et al*, 2005a; Rogers, 2008; Susanti, 2011; Crivello, 2011; Arnot *et al* 2011). Second set argues that due to inadequate availability of better quality of employment opportunities in existing labour market, youth with relatively high level of education, possibly belonging to affluent sections of society, wait for stable and satisfactory employment (Mamgain and Tiwari, 2016; Bairagya, 2018). During this waiting period, youth are treated as unemployed and this job search duration is relatively longer for educated youth (Ahmed, 2015; Naraparaju, 2017). Finally, few scholars have also argued that youth in South Asian countries do not wish be an entrepreneur because of lack of adequate training and finance (Jeffrey and Dyson, 2017). Moreover, social values attached to a salaried job is significantly high as compared to small and medium business. Youth who owned business also find it difficult to even marry as compared to those who have salaried job, irrespective of economic class (Verkaaik, 2004; Cross, 2009).

The above mentioned literature primarily deals with youth who are unemployed, i.e. those are actively seeking for job in existing labour market. But recently largely because of 'discouraged workers effect', a significant proportion of youth are demoralized and disheartened. (Elder, 2015; ILO, 2017). They are available for work but are not actively seeking jobs, because they believe they are neither able to find any job nor successfully can start any business (Elder, 2015; Jeffery and Dyson, 2017). In turn, some of them have high aspiration from the labour market and so they are voluntarily neither in employment nor in education or training (Eurofound, 2012). They will re-enter into the labour market when their aspirations will exactly match with the type of opportunity, they are aspiring for.

India has formulated several policies and programmes to improve the participation of youth in nation building. There are large number of skill and training programme (like DDUGKY, PMKVY etc.) and entrepreneurship development programmes implemented under Ministry of Skill Development and Entrepreneurship, Ministry of MSME, and Ministry of Rural Development (MoRD). Specifically, to promote entrepreneurship, there is an elaborate institutional set up with various programmes towards skill development, vocational education and training. For instance, an entrepreneurship development scheme is currently being developed by Ministry of Skill Development and Entrepreneurship to educate and equip potential and early stage entrepreneurs across India, to connect entrepreneurs to peers, mentors, incubators, to support entrepreneurs through entrepreneurship hubs, to catalyse a culture shift to encourage entrepreneurship, to encourage entrepreneurship among underrepresented groups, to promote Entrepreneurship amongst women and to foster social entrepreneurship and grassroots innovations (Govt. of India, 2015). There are other interventions such as Start-up Village Entrepreneurship Program (SVEP), Rural Self Employment Training Institute

(RSETI) to promote entrepreneurship and livelihood opportunities, with special focus on youth, women and backward region. Under Ministry of Youth Affairs and Sports, many programmes have also been initiated to mainstream youth in the larger development discourse. These programmes focus on training on youth leadership and community development, skill upgradation, promotion of folk arts and culture and so on.

Reducing youth NEET rates is one of the primary targets of the 2030 Agenda for Sustainable Development under Goal 8 on "Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". However, given the huge gender disparity in emerging and developing countries, the goal of reducing the youth NEET rate is also directly linked to SDG 4, "Ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all", and SDG 5, "Achieving gender equality and empower all women and girls". National Youth Policy, 2014 of India provides a holistic vision for the youth which states that "to empower the youth of the country to achieve their full potential, and through them enable India to find its rightful place in the community of nations"<sup>2</sup>. In addition, the State Governments and a number of other stakeholders are also working to support youth development and to enable productive youth participation. However, individual organizations in non-Government sector are small and fragmented, and there is little coordination between the various stakeholders working on youth issues.

While there are large literature on youth employment and unemployment, the concern for NEET youth has not adequately been discussed both in developed and developing nations. Of late, the developed nations have also raised concern over the rising youth in NEET category, as it has led to a fiscal burden, while accounting for unemployment allowances and social security for youth. For developing country like India, the issue of NEET assumes prime significance, both due to the loss in national income due to their non-participation in the income activities and also the social and economic costs. It is in this context that this paper makes an incisive inquiry about the nature and pattern of youth in the NEET category and possible determinants of the emerging trends.

The paper is organised as follows. Following the introductory section, Section 2 discusses the conceptual framework, data sources and methodology. Section 3 analyses the trends and pattern of youth in the NEET category by various individual and household attributes. Section 4, based on an econometric exercise, attempts to decipher the determining factors of NEET. Section 5 concludes the paper, presenting its key findings and highlighting certain key policy measures needed to address the challenges of youth in NEET category.

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<sup>2</sup> See National Youth Policy for a more detailed discussion on these issues and provisions, schemes and programmes available for youth.

## 2. Conceptual Framework, Data Sources and Methodology

NEET refers to the percentage of youth out of total youth<sup>3</sup> who are neither working (nor seeking for jobs but available for work) nor enrolled in education or training during a specific reference period. NEET includes inactive youth who are currently not enrolled in education and skill accruing activity, and not working and/or not looking for job. NEET also includes youth who are not working, not looking for work and not enrolled in education or training because of disability, illness, and domestic responsibilities.

NEET also includes youth who are not working, not looking for work and not enrolled in education or training because of disability, illness, and domestic responsibilities<sup>4</sup>. Thus NEET rate is a measure of inactive/disengaged or marginalized youth in any economy, who could potentially contribute to economic growth as well as to socio-political development and nation building.

### 2.1 Data

Our analysis is based on the unit-level National Sample Survey (NSS) data on Employment and Unemployment (EU), namely 61<sup>st</sup> (2004-05), 68<sup>th</sup> (2011-12) and recently published Periodic Labour Force Survey (PLFS), 2017-18. There are some comparability issues between NSS-EU and PLFS at a disaggregated level<sup>5</sup>. But to avoid comparability issues between EU and PLFS, we are using PLFS first visit data, which includes rural as well as urban. To analyse basic trends and patterns of NEET, we have used data for all three time periods. But for analytical convenience and comparability issue, we have used PLFS (2017-18) to identify the determinants of NEET through regression. PLFS 2017-18 unit-level data on employment and unemployment have a sample of 4,33,339 individuals, out of which 1,25,109 belong to youth (29 per cent). The descriptive statistics of the independent variable are described in Appendix Table 1. The LFPR for the youth (age 15-29) is presented in Appendix Table 2.

### 2.2 Methodology

In the present study, we are using descriptive statistics, mainly percentage shares, to identify basic characteristics of individual who fall under 'Not in Employment, Education and Training' (NEET) category. But descriptive

<sup>3</sup> According to the United Nations (UN), youth includes individuals in 15 to 24 age bracket. *But in this study we use the definition of youth proposed by National Youth Policy (2014) which consider age cohort between 15 to 29 years.*

<sup>4</sup> But in the present study, we exclude youth who are in NEET because of illness due to unavailability of adequate data. NSSO employment and unemployment and Periodic Labour force provide data of individuals who are currently not working because of illness on weekly and current (except PLFS) status only. Weekly and current daily status provides short run situation of labour market, but waiting time of youth in NEET is relatively long phenomena and principal status also capture 'chronic' unemployment situation, so in present study we have used principal status.

<sup>5</sup> NSSO has changed sample design for urban area and also collected quarterly data. For detailed discussions, see PLFS Annual Report. Therefore, results may be read with caution!



statistics is not enough to identify socio-economic factors which are responsible for NEET. Therefore, to supplement the analysis of the trends and patterns, we have undertaken binary logistic regression model (Cameron and Trivedi, 2005, Tabachnick and Fidell, 2013). We have applied a binary logistic model to identify the basic individual and household characteristics which determine the factors pushing the individual to the NEET category.

$$\text{Logit}(P) = \log\left(\frac{P}{1-P}\right)$$

Let  $P_i = \Pr\left(\frac{Y=1}{X=X_i}\right)$ , then we can write the model as follows

$$\Pr\left(y=\frac{1}{x}\right) = \frac{\exp^{X'\beta}}{1+\exp^{X'\beta}};$$

$$\log\left(\frac{P_i}{1-P_i}\right) = \text{logit}(P_i) = \beta_0 + \beta_1 X_i$$

$P_i$  is the probability of an individual being in NEET (dependent variable) and  $X_i$  are vector of independent variables such as individual and household characteristics (Table 1). The coefficient of logit regression shows the change in probability of one outcome divided by the probability of benchmark variables. Wherever, the marginal effects ( $dy/dx$ ) shows a change in the probability of the one outcome with one unit change in respective independent variables.

**Table 1**  
**Variable Name, Definition and Data Source for Regression Analysis**

Variable Name	Definition	Data Source
Age	Age of individual in Year	Periodic Labour Force Survey (PLFS) 2017-18
Age squared	Square of age	
HHUCE	Household usual consumption expenditure	
HH Size	Number of person in household	
Level of general education (Below Primary) <sup>®</sup>		
Primary and Middle	If the individual has completed either primary or middle level of education =1; 0 otherwise	
Secondary and Higher secondary	If the individual has completed either secondary or higher secondary level of education =1; 0 otherwise	
Diploma/Certificate	If the individual has completed any diploma or certificate in general education=1; 0 otherwise	
Graduate	If the individual has completed Graduation=1; 0 otherwise	
Post Graduate and above	If the individual has completed post-graduation and above=1; 0 otherwise	
Level of technical education (No technical education) <sup>®</sup>		
Technical Degree	If the individual has any technical degree=1; 0 otherwise	

Variable Name	Definition	Data Source
Diploma below Graduate	If the individual has any technical diploma at below graduate level=1; 0 otherwise	
Diploma above Graduate	If the individual has any technical diploma at above graduate level=1; 0 otherwise	
<i>Vocational Training (No Vocational Training)<sup>®</sup></i>		
Formal Vocational training	If an individual has any formal vocational training=1;0 otherwise	
Informal Vocational training	If an individual has any informal vocational training=1;0 otherwise	
<i>Caste (Forward Caste)<sup>®</sup></i>		
Scheduled Caste	If the individual belong to scheduled Caste=1; 0 otherwise	
Scheduled tribe	If the individual belong to scheduled Tribe=1; 0 otherwise	
Other backward Caste	If the individual belong to Other backward Caste=1; 0 otherwise	
<i>Religion (Hindu)<sup>®</sup></i>		
Muslim	If the individual belong to Islam=1; 0 otherwise	
Other Religion	If the individual belong neither Hindu nor Muslim religion =1; 0 otherwise	
Living in Rural Areas	If the individual living in rural area=1; 0 otherwise	
Male	If an individual belongs from male=1; 0 otherwise	
<i>Marital Status (Un married)<sup>®</sup></i>		
Currently Married	If the Individual is being married=1; 0=otherwise	
Divorce/Sepa-rated	If the individual began divorce and separated=1; 0=otherwise	

Note: ® Reference Category.

Source: PLFS 2017-18.

### 3. Trends and Patterns of Youth in NEET

The present section discusses the trends and pattern of youth in the NEET category by individual and household attributes (i.e. social group, religion, gender, income levels and so on). The incidence of youth in NEET category across different regions in the world and India are presented in Table 2. According to the latest estimates by ILO, about one fifth (21.8 per cent) of youth were in NEET category during 2017. Emerging countries reported higher incidence of NEET (25.2 per cent) as compared with developing (12.1 per cent) and developed (13.1 per cent). The incidence of NEET in developing nations is relatively low, because youth in these countries cannot afford to be in this category, no matter, whether decent or well-paid works

are available or not. Therefore, in developing nations, the type of employment available are of informal nature and low paid, where there is large concentration of youth. (ILO 2017). The incidence of NEET among women is almost 3.5 times more as compared to their male counterparts. Except, Eastern Asian region, there is huge gap in the incidence of NEET between male and female (Table 2).

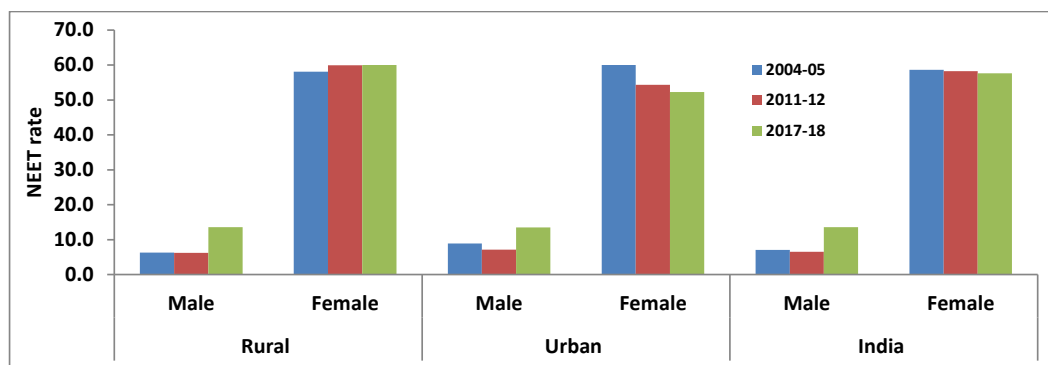
**Table 2**  
**NEET Rate (per cent) Among Youth, 2017**

	Male	Female	Person
1	2	3	4
World	9.8	34.4	21.8
Developing Countries	8.0	16.0	12.1
Emerging Countries	9.6	41.8	25.2
Developed Countries	11.3	14.9	13.1
Eastern Asia	2.8	4.7	3.7
South Eastern Asia and the Pacific	13.4	22.6	18.0
Southern Asia	5.8	53.3	28.6
India*	13.6	57.7	34.9

Source: Global Employment Trends for Youth 2017: Paths to a better working future, Geneva;\* Figure for India has been calculated from PLFS unit level data (2017-18).

India's figure also corroborates the global phenomenon of gendered distribution of NEET. Percentage of women in India in NEET is 4 to 4.5 times more as compared to male during 2017-18. In any developing country, especially in Indian society, the likelihood of men falling in NEET category is low as they are treated as the primary bread earner in the family. A large proportion of women are engaged in care and household duties, which are not considered as paid work (Hirway and Jose, 2011), due to which the incidence of NEET among women is found to be high.

**Figure 1**  
**NEET Rate among Youth in India**



Source: Authors' estimation based on NSSO EU and PLFS unit level data.

Figure 1 shows that the incidence of NEET among male has doubled in rural area during 2004-05 to 2017-18. It also increased almost 5 per cent point in urban areas. It is evident that incidence of male NEET increased significantly during the period 2012-18 as compared to the previous period, i.e. 2005-12. In case of rural male, incidence of NEET has doubled during last five years, because of 3.5 times increment in the share unemployed youth. Similar patterns were observed for urban male during the said period.

The incidence of NEET among rural female increased marginally, but among men it has almost doubled. It is interesting to note that the share of 'unemployed' and 'not in labour force' among rural female has remained stagnant. But rural female witnessed sharp decline in the labour force participation rate. The enrollment of female in educational institutions also increased substantially during 2005-2018 (Table 3).

**Table 3**  
**Distribution of Youth Population by Gender, Region and**  
**Demographic Characteristics**

	Rural					
	Male			Female		
	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18
1	2	3	4	5	6	7
a. Employed	71.2	59.3	47.5	28.8	16.8	11.8
b. Unemployed	3.9	3.8	10.7	2.2	1.4	2.2
c. Students	22.5	34.5	38.9	13.1	23.3	28.2
d. Out of Labour force	2.4	2.3	2.9	56.0	58.5	57.7
<b>e. NEET (b+d)</b>	<b>6.3</b>	<b>6.2</b>	<b>13.6</b>	<b>58.1</b>	<b>59.9</b>	<b>60.0</b>
Urban						
a. Employed	60.6	54.6	46.9	14.3	13.4	11.8
b. Unemployed	6.8	5.3	11.1	3.5	2.5	4.8
c. Students	30.6	38.3	39.6	25.7	32.3	36.0
d. Out of Labour force	2.1	1.8	2.4	56.5	51.8	47.4
<b>e. NEET (b+d)</b>	<b>8.9</b>	<b>7.1</b>	<b>13.5</b>	<b>60.0</b>	<b>54.3</b>	<b>52.3</b>

Source: Authors' estimation based on NSSO EU and PLFS unit level data.

We also observed similar pattern in urban areas, but the incidence of NEET among men is higher in urban areas as compared to rural male.

A combination of income effects, education effects and discouraged workers effect are in operation simultaneously. Our results support the argument of 'substitution effect' for females, proposed by Gold in 1995 and Abraham 2013 (for India). For urban female, NEET rate has declined by two per cent point because of the 9 per

cent point decline in 'not in labour force'. On the other hand, participation in educational institutions also increased by 10 per cent point for urban female. Since early 1990s, there has been sharp expansion in participation in education in South Asia (World Bank, 2010). About one third of youth are participating in educational institutions across the regions and gender. The high enrolment in educational institutions may be beneficial in the long run, if it generates employable labour force, otherwise it may lead to demographic debt for any economy. The latest available NSSO data (2018-19) suggests a very marginal decline in the incidence of NEET, but these levels are still high and women NEET rates are several times higher than those for men (ILO, 2021).

**Table 4**  
**Incidence of NEET across Social Group, Gender and Region**

	Rural						Urban					
	Male			Female			Male			Female		
	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18
1	2	3	4	5	6	7	8	9	10	11	12	13
STs	20.1	16.1	18.7	42.4	47.3	51.9	17.1	13.8	17.6	49.2	54.5	54.4
SCs	20.7	16.7	20.0	55.1	56.6	59.6	20.8	17.2	19.5	60.4	59.0	58.4
OBCs	19.8	15.9	19.1	54.1	57.6	60.3	18.2	15.8	19.4	60.3	60.8	61.6
OTHERS	18.2	15.8	19.6	59.5	62.0	64.2	18.6	16.9	20.9	63.4	63.6	63.9

Source: Authors' estimation based on NSSO EU and PLFS unit level data.

Table 4 presents incidence of NEET across social groups and gender. For males (both in rural and urban areas), the incidence of NEET hovers around 18-20 per cent across all social groups. But the incidence of NEET for male increased at varying level during 2012-18 across social groups. It is interesting to note that the incidence of NEET for upper caste female in rural area is high, possibly due to the social and cultural norms which restrict mobility of upper caste women not only for job as well as for education. Almost similar pattern was observed for both male and female in urban areas.

The trends and patterns of NEET across religion is presented in Table 5. It shows that for Muslims, the incidence of NEET is high across region and gender. It clearly reflects the position of Muslim women in Indian society and their limited access to education and skill and thus employment opportunities. Besides endowment factors in terms of human capital and income, socio-cultural factors also play a more significant role for these women, as compared to women in other religion categories. So other things remaining the same, the likelihood of a Muslim women falling in NEET category is very high.

**Table 5**  
**Incidence of NEET across Religion, Gender and Region**

	Rural						Urban					
	Male			Female			Male			Female		
	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18
1	2	3	4	5	6	7	8	9	10	11	12	13
Hindu	19.1	15.5	19.1	52.8	56.0	59.2	18.2	16.0	19.5	61.0	60.9	60.8
Muslim	23.7	20.1	21.6	66.6	65.0	67.0	21.0	18.2	21.6	64.9	65.2	67.6
Others	19.0	16.0	19.2	55.3	59.4	58.8	19.7	16.1	22.1	57.8	58.8	59.1

Source: Authors' estimation based on NSSO EU and PLFS unit level data.

Table 6 depicts the incidence of NEET by educational categories. During 2012-18 across educational category, irrespective of gender and region, there has been an increase in the incidence of NEET. The incidence of NEET is highest among the youth having education upto primary. However, with an increase in education level, the rate declined, but upto secondary level. The rate again starts increasing for youth having education of diploma and more. More importantly, NEET rate for male having level of education "diploma, graduate and above" is significantly higher as compared to "middle, secondary and higher" across the regions, but this gap is wider for rural areas.

**Table 6**  
**Incidence of NEET across General Education, Gender and Region**

	Rural						Urban					
	Male			Female			Male			Female		
	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18
1	2	3	4	5	6	7	8	9	10	11	12	13
Up to Primary	24.9	17.2	26.5	55.1	57.4	61.6	27.1	17.7	27.8	60.7	61.9	60.9
Middle	4.4	12.8	9.1	49.7	55.5	58.3	8.5	13.1	11.8	62.6	59.2	65.3
Secondary	5.9	12.6	8.3	54.2	58.0	53.3	11.8	14.3	14.2	66.6	63.2	64.8
H. Secondary	6.6	14.2	9.4	51.0	56.5	52.1	8.5	13.8	12.2	55.9	58.9	54.3
Diploma	13.6	14.7	25.2	51.5	57.0	52.6	14.5	14.7	17.7	44.1	59.6	53.8
Graduate	9.6	16.8	21.0	62.8	62.1	67.1	13.2	18.2	20.1	65.9	63.1	65.8
P. Graduate	10.9	17.5	20.9	56.0	63.7	62.5	12.8	24.0	19.3	61.3	61.6	59.6

Source: Authors' estimation based on NSSO EU and PLFS unit level data.

The possible reasons could be availability of more and better job opportunities in urban areas as compared to rural areas. This pattern needs further analysis, taking into account factors such as educational infrastructure, education levels of parents and their income levels.

Table 7 presents incidence of NEET by level of technical education across gender and region. It is clear that NEET rate for male is higher in rural India as compared to urban for those who have technical degree or any type of technical diploma either below of above graduate level and it has also increased over the years. This could be due to individual having technical degree or diploma has better opportunity to find formal and decent job in urban areas as compared to their rural counterpart. On the other hand, significant increment in incidence of NEET for males across regions during last five years also shows lack of availability of formal and decent job in labour market, especially for technically educated youth.

According to "White Collar Job" hypothesis, educated people prefer to wait for white-collar job rather than accepting blue-collar job. But this hypothesis is inconclusive for developing countries (Blaug *et.al.* 1969: Mathew, 1995), because white collar hypothesis assumes that expectation of educated people are unrealistic (Islam, 1980: Rama, 2003). Godfray (2003) argues that this phenomenon is witnessed in Indonesia, Sri Lanka, Egypt and Pakistan. Thus, most educated unemployed people search and wait for decent formal job, instead of taking up any informal and low skilled/paid informal jobs, which is easily available in labour market.

**Table 7**  
**Incidence of NEET across Technical Education, Gender and Region**

	Rural						Urban					
	Male			Female			Male			Female		
	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18
1	2	3	4	5	6	7	8	9	10	11	12	13
No TE <sup>@</sup>	19.7	16.1	19.3	54.5	57.3	60.1	19.1	16.4	20.0	61.9	61.6	62.3
T Degree <sup>&amp;</sup>	7.2	17.3	24.1	49.3	60.4	61.4	11.3	15.1	21.9	28.5	52.2	43.8
Diploma < G <sup>*</sup>	13.0	13.9	25.2	50.6	58.3	48.7	14.2	12.7	17.7	44.6	60.0	49.5
Diploma > G <sup>#</sup>	12.0	15.5	23.0	50.0	52.5	47.5	12.5	23.7	17.6	41.9	59.4	45.5

Note: @ No Technical degree, & Technical Degree, \* Diploma below graduate level, # Diploma above graduate level.

Source: Authors estimation based on NSSO EU and PLFS unit level data.

Level of income (monthly per capita expenditure of household) plays a vital role not only in the incidence of NEET but also in its duration and spell. The duration is directly related to level of income (Harberger, 1971; Rama, 2003). Opportunity cost to be in the NEET category is low for youth from high income households. Individuals belonging to economically affluent households can stay relatively longer time in NEET as compared to their counterpart (Ghose, 2004) because individuals from such household have lower or almost no responsibility to earn income for the family. (Godfrey, 2003). We can observe from Table 8 there is positive correlation between household incomes (MPCE) and NEET in that particular group, irrespective of gender and region. This finding is quite consistent with earlier literature which suggests that individuals from high income households can afford to be in the NEET category for a longer duration.

**Table 8**  
**Distribution of NEET across MPCE, Education and Gender**

	Rural						Urban					
	Male			Female			Male			Female		
MPCE Class	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18	2004-05	2011-12	2017-18
1	2	3	4	5	6	7	8	9	10	11	12	13
1	22.6	17.5	21.9	51.4	59.2	60.2	16.0	14.4	21.0	55.5	54.6	59.3
2	21.1	15.9	18.0	52.8	57.7	60.0	21.5	16.3	21.0	60.8	61.7	61.7
3	19.6	15.1	18.7	53.7	54.7	59.3	20.6	15.5	19.2	60.7	62.6	58.9
4	18.4	14.4	16.9	53.4	54.1	57.6	20.1	15.2	20.5	61.6	62.3	60.8
5	18.4	15.3	18.2	54.4	56.5	59.3	19.9	17.6	18.4	61.4	62.1	60.8
6	18.2	16.0	18.0	56.0	56.2	56.1	19.0	15.7	17.3	62.0	61.9	58.5
7	18.6	16.6	19.3	56.9	59.5	62.0	17.3	17.1	19.8	61.3	62.4	62.8
8	17.9	16.5	19.5	58.4	59.4	63.2	18.4	15.8	19.3	62.7	61.8	62.6
9	19.2	16.7	21.2	59.1	59.0	62.8	18.3	17.5	19.8	62.4	61.4	64.6
10	18.0	18.4	22.7	60.7	61.0	63.8	18.2	17.0	21.6	61.5	61.5	62.7

Source: Authors' estimation based on NSSO EU and PLFS unit level data.

#### 4. Determinants of NEET: An Econometric Exercise

It is evident that the varying rate and pattern of incidence of NEET is explained by various individual and household attributes. To supplement our analysis, we carried out an econometric exercise to understand the impact of individual factor, keeping all other factors constant, using 2017-18 data. Table 9 shows descriptive statistics and independent sample t-test for all continuous variables that were used in regression analysis. Firstly, we checked the mean difference between household incomes for individuals from NEET or non-NEET category. After that, we verified whether NEET and non- NEET sample are significantly different from each other



or not for age and household size. The reported t-value is statistically significant for all the variables, which confirms that the two samples are significantly different from each other.

**Table 9**  
**Descriptive Statistics and T-test Results for Continuous**  
**Explanatory Variables**

	NEET		t-values
	Yes (Means)	No (Means)	
Household Income	9501.65	9959.43	-25.91***
Age	23.15	20.61	-1.24**
Household Size	5.41	5.06	11.58***

Source: PLFS 2017-18.

Table 10 presents the results of logit regression and marginal effect for those who are in the NEET category during 2017-18. The sign and statistical significance of the independent variables for both coefficient and marginal effects remain same, which shows the robustness of the results, irrespective of the specification of the overall model. The negative and significant sign of household income reveal that youth from relatively high-income household are less likely to fall in NEET as compared to relatively low-income household. This supports the finding at All India level (income quintiles at All India level) but it is opposite for urban areas. We expected the sign of the coefficient of age to be positive but it is negative for age square and both are also statistically significant. Positive signs of both coefficient and marginal effect for age suggest that with an increment of age, the likelihood of individual to fall in NEET is higher as compared to non-NEET. Within the 15-29 age cohort, an individual with a relatively higher age finds it difficult to enroll in educational institutions, due to age criteria followed in almost all courses and institutions. Employers also show reluctance to hire relatively aged employee, especially in private corporate sector (Mamgain and Tiwari, 2016) and in, in many government jobs also age criteria is followed.

Size of household also plays a vital role in determining whether an individual will fall in NEET category. Larger the household size, higher will be the NEET rate. Youth from relatively larger sized households can afford to remain in NEET for longer time either looking for a better job or to enroll in premium educational institutions as they have relatively less responsibility in terms of contributing to household income as compared to individuals from smaller size households (Bairagya, 2018).

Youth with relatively high level of general education are expected to less likely to fall in NEET because they have better chance to get a formal job (ILO, 2017). In case of technical education, we expected individuals with any technical

education, whether a degree or diploma level (below and above graduate level) were more likely to fall in non-NEET category. But we got statistically significant results only for those with technical degree, possibly due to very small sample. Our result suggests that youth having any technical degree are more likely to fall in NEET because there is high degree of job crisis in Indian labour market especially for educated youth (Bairagya, 2018; Mitra and Verick, 2013). In general individual having any technical education from a relatively affluent sections of the society can afford longer waiting period and incur job search costs. The negative and significant sign for informal vocational training reveals that youth having any informal vocational training are less likely to fall in NEET. Traditional arts and crafts, family businesses, on the job training also play crucial role in this process. Since informal vocational training are largely hereditary in nature, individuals having any informal vocational training either work as an own-account worker or employer or get engaged as unpaid family worker<sup>6</sup> (helper) in household enterprises.

**Table 10**  
**Binary Logit Regression Outcomes**

	Coefficient	SE	Marginal Effect (dy/dx)	SE
Constant	-18.433***	(0.258)		
Household Income	-0.002	(0.000)	-1.012***	(0.000)
Household Size	0.060***	(0.004)	0.009***	(0.001)
Age	1.633***	(0.023)	0.236***	(0.003)
Age Square	-0.034***	(0.001)	-0.005***	(0.000)
<i>Level of general education (Below Primary)<sup>®</sup></i>				
Primary and Middle	-0.296***	(0.031)	-0.043***	(0.005)
Secondary and Higher secondary	-1.055***	(0.031)	-0.152***	(0.004)
Diploma (general education)	-0.388***	(0.094)	-0.056***	(0.014)
Graduation	-0.525***	(0.037)	-0.076***	(0.005)
Post-graduation and above	-0.381***	(0.053)	-0.055***	(0.008)
<i>Level of technical education (No technical education)<sup>®</sup></i>				
Technical degree	0.389***	(0.057)	0.056***	(0.008)
Diploma below graduate	0.038	(0.089)	0.006	(0.013)
Diploma above graduate	-0.107	(0.094)	-0.015	(0.014)
<i>Vocational Training (No Vocational Training)<sup>®</sup></i>				
Formal vocational training	-0.061	(0.045)	-0.009	(0.006)

<sup>6</sup> Especially females are more likely to participate as npaid family labour in household enterprises.

	Coefficient	SE	Marginal Effect (dy/dx)	SE
Informal vocational training	-1.380***	(0.045)	-0.199***	(0.006)
<i>Marital Status (Un married)<sup>®</sup></i>				
Currently married	0.702***	(0.020)	0.101***	(0.003)
Divorce/Separated	-0.199*	(0.104)	-0.029*	(0.015)
<i>Religion (Hindu)<sup>®</sup></i>				
Muslim	0.342***	(0.022)	0.049**	(0.003)
Others	0.047*	(0.026)	0.007*	(0.004)
<i>Caste (Forward Caste)<sup>®</sup></i>				
ST	-0.198	(0.026)	-0.0	(0.004)
SC	0.078***	(0.022)	0.011***	(0.003)
Other Backward Caste	0.088***	(0.019)	0.013***	(0.003)
Living in rural area	0.053***	(0.016)	0.008**	(0.002)
Male	-2.031***	(0.016)	-0.294***	(0.002)
Observations:125,109; Likelihood ratio: 46175.07 (23), Pseudo R2 -0.2918				

Note: <sup>®</sup> Reference Category, p-value: \*\*\*<0.01, \*\*<0.05 and \*<0.1.

Source: PLFS 2017-18.

In developing countries like India, males are generally believed to be primarily responsible to earn income for the household. On the other hand, females are expected to be involved only in household chores and caring children and elders (Hirway, 2011). Income earned by female is generally treated as a secondary source of income. These traditional gender based stereotypes partly explains the high incidence of NEET among women. Negative and significant regression coefficient and marginal effect in analysis also support this observation.

Youth living in rural areas are more likely to fall in the NEET category as compared to their urban counterpart. This may be due to the fact that there are more opportunities both for jobs as well as for education for urban youth. Positive and significant coefficient and marginal effects for Muslim and Other religion group show youth belonging to both these religious groups are more likely to fall in NEET as compared to Hindu. Muslim youth, on an average has less education and skill, and hence find it difficult to obtain jobs, and they also have less participation in education (Govt. of India, 2004). But youth from other religious groups like Christian, Sikhs can afford the cost of waiting. The sign of coefficient and marginal effect are same for SCs and OBCs i.e. positive and significant. The reason could be that the socially weaker sections of the society (SCs, STs and OBCs) have very little exposure in either labour market or educational institution as well, as compared to upper castes.

## 5. Conclusion and Policy Implications

This paper analyzed a profiling of youth in NEET category by various individual and household attributes and then based on an econometric exercise, examined the determinants of youth in NEET category. We found that the overall incidence of NEET is rising over the last two decades. The incidence of NEET among young women is disproportionately higher, as compared to the males, irrespective of individual and household attributes, but there is significant variations across these variables. We found a mixed pattern in the incidence of NEET by education categories, social group and income levels. A more detailed analysis is called for to understand the factors which are causing these patterns.

The existing data sets, however, cannot address many crucial issues related to the trends, pattern and determinants of youth in NEET category. Therefore, several categories of information need to be either included in the existing data sources or new comprehensive database needs to be developed. For instance, issues such as why and how they fell in NEET category; what is the duration; what are their coping strategies (individual and household level) to come out of NEET category; what are the constraints they faced while in NEET category; did they get benefits from any Govt. schemes; their access to formal institutions in credit, technology, market, skill and training and so on. These and other issues call for developing a comprehensive and policy-sensitive database focusing on youth, which could be placed in the public domain, making needs assessment and intervention more effective.

Since the problem of NEET is more acute in rural areas, it is essential to assess the magnitude of the constraints and challenges faced by the rural youth and mainstream them in the overall rural development strategy. The Gram Panchayat Development Plan (GPDP) can play a major role in profiling and mapping the needs of the rural youth and devise a mechanism to prioritise resource allocation and provide the requisite skill, training, entrepreneurship and livelihood avenues. It is also important to mainstream youth in all rural development programmes. While undertaking monitoring and evaluation of various rural development programmes, a checklist of questions could be addressed to different authorities, agencies and ministries in respect of the intervention area. To illustrate a few: whether youth needs have been taken care of while designing the programme; what is the nature and extent of youth needs envisaged in the programme; does the programme result in delivering the expected outcomes stated for the youth; what are the major constraints in creating the envisaged skill and entrepreneurship development; is it sustainable; and so on. Thus, Gram Panchayat Development Plan (GPDP) could be truly an effective tool to mainstream rural youth in the rural development strategies and economic policies.

To conclude, an overall enabling and coherent policy architecture involving key attributes like improvements in human capital based infrastructure, active labour

market policies, career counseling, vocational training, job search support, and access to better credit and skill training will be crucial to improve the participation of youth in all spheres of activities of the society and economy. In addition, an important step would be to develop a youth-disaggregated comprehensive and policy-sensitive database.

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## Appendix

### Appendix Table 1: Summary Statistics Used in Estimation

<b>Dependent Variable: Youth who are involved neither in employment nor in education and training (1=Yes; 0=Otherwise)</b>				
<b>Variable</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>Min</b>	<b>Max</b>
Household income	8996.75	6286.42	250	150000
Age	21.53	4.22	15	29
Household size	5.14	2.22	1	34
Individual having primary and middle level of education(yes=1)	0.35	0.48	0	1
Individual having secondary and higher secondary level of education(yes=1)	0.39	0.49	0	1
Individual having diploma in non-technical education(yes=1)	0.02	0.12	0	1
Individual having graduation level of education(yes=1)	0.10	0.30	0	1
Individual having post-graduation level of education(yes=1)	0.02	0.15	0	1
Individual having any technical degree(yes=1)	0.01	0.12	0	1
Individual having below graduate level of diploma in technical education(yes=1)	0.02	0.13	0	1
Individual having above graduate level of diploma in technical education(yes=1)	0.01	0.07	0	1
Individual having formal vocational training (yes=1)	0.03	0.16	0	1
Individual having informal formal vocational training(yes=1)	0.05	0.21	0	1
Dummy for Male(yes=1)	0.52	0.50	0	1
Currently married (yes=1)	0.36	0.48	0	1
Widow and divorcee (yes=1)	0.00	0.06	0	1
Individual belongs from Muslim community(yes=1)	0.14	0.34	0	1
Individual belongs from Other* community(yes=1)	0.05	0.23	0	1

Dependent Variable: Youth who are involved neither in employment nor in education and training (1=Yes; 0=Otherwise)				
Variable	Mean	Std. Dev.	Min	Max
Individual belongs from ST(yes=1)	0.10	0.29	0	1
Individual belongs from SC(yes=1)	0.20	0.40	0	1
Individual belongs from OBC (yes=1)	0.28	0.45	0	1
Dummy for rural area(yes=1)	0.70	0.46	0	1
Number of Observation	125109			

Note: \* Other means neither Hindu nor Muslim. Source: PLFS 2017-18 Unit level data.

**Appendix Table 2: LFPR across Sector and Gender. (Age 15-29 years) (UPS)**

	Rural			Urban			India		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
1	2	3	4	5	6	7	8	9	10
2004-05	75.12	30.94	53.25	67.30	17.81	44.29	72.83	27.42	50.73
2011-12	63.14	18.25	41.20	59.88	15.90	39.05	62.11	17.54	40.53
2017-18	58.20	14.04	36.86	58.04	16.59	37.84	58.15	14.81	37.15

Source: Authors' estimation based on NSSO EU unit level data.

## **Migration, Social Network and Informal Employment in Households of Women Domestic Workers: A Study of Urban Livelihoods in Kolkata City**

**Sudeshna Roy\* and Dipendra Nath Das\*\***

*Urban centres in India have witnessed rapid proliferation of informal employment since economic liberalisation in the post 1991 era. The urban informal livelihoods are diverse in terms of employment status, location of workplace and remuneration with perceptible gendered segregation in occupational distribution. In this background, the article aims to study the occupational pattern among working population in Kolkata Municipal Corporation (KMC) area. Using primary data gathered from field survey, an analysis is attempted to understand the association of the socio-economic variables such as education level, religion, caste, sex of the household members with the type of work they are engaged in. The proportion of workers earning livelihood from casual wage work is the highest followed by self-employment. Home-based piece-rate work and unpaid family work forms the source of income for many women workers residing in the city slums. Special focus is given on part-time paid domestic work among the women which is decidedly intergenerational in character with a strong presence of peer-networking whereby female members of the household and extended families in native places introduce each other to this profession for livelihood. Social networking is thus fundamental in accessing work in informal sector.*

**Keywords:** *Slum, Social Networking, Migration, Informal Employment, Women Domestic Workers, Livelihood.*

### **1. Introduction**

#### **1.1 Objectives of the Study**

Is there any relevance of the socio-economic and demographic characteristics of the populace in determining the choice of work and employment pattern? Is the migratory behaviour and labour decisions among the slum dwelling households in Kolkata city influenced by social networking? In what way does social networking mechanism contribute in thriving of dynamism in the informal sector? Does social networking improve the life chances of the socially backward and economically poor migrant working population in metropolitan economy or does it shove back the labour into informality, economic insecurity and to greater depths of intra-urban inequality? Has the commuter working population benefited from accessing employment opportunities that the city has to offer? The article aims to decipher

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the urban livelihood scenario of Kolkata city by studying the livelihoods of the slum dwellers and those of the daily commuters situated at the lower rung of wage cycle. With a special focus on women paid domestic workers and on the occupational distribution of their household members the article attempts to explore the pertaining questions.

## **1.2 Rationale of Study**

The purpose behind choosing Kolkata city for the study relates to the presence of myriad informal occupations which thrives in the densely populated metropolitan economy structure. Kolkata being the epicentre of urban primacy is the locus of inter-state and intra-state streams of migration. The advantageous geographical position, colonial roots of the city, substantial slum-residing population, history of once thriving large-scale industrial units, distinctive transport connection of the hinterland via suburban railway network and waterways, presence of neighbourhoods with older housing quarters in and around the city core with the newer modern building structures sprawling in the city fringes make a remarkable urban ecosystem that needs to be explored.

The nexus between migration, slum proliferation and growth of informal livelihood in the city presents a fascinating conjunction for analysis. But it is really a matter of question and concern to understand whether social network linkages that harbour migrants into the city and supplies labour force into the informal employment sector actually transcendences in alleviating the migrant households out of economic distress which compelled migration in first place. It is hypothesized that though migration releases the movers out of dire and overt financial precariousness but eventually they fall trapped within the informality of insecure, irregular and indecent economic livelihoods that pushes them further in socio-economic inequality in the larger conundrum.

## **1.3 Life in Slums**

The slum life of Kolkata is vivacious and bustling with inter-cultural migrant population from West Bengal and adjacent states of Bihar, Jharkhand, Odisha and North-Eastern India. Historically slums or *bustees* have been an integral part of Kolkata city wherein the *thika* (leasehold) system of tenancy have been existing since the colonial times especially in the older city-core in north. The newer areas in the southern, western and eastern city fringes have witnessed growth of slum localities in recent decades. Distinctively these slum neighbourhoods have sprawled up along the railway corridors, canal banks and minor industrial pockets where migrant households have crowded primarily in search of better employment opportunities.

## **1.4 Migration of Labour and Informal Employment**

Migration plays an effective role in bringing labour force to the city. It is a guard against poor socio-economic existence, unemployment and low wages in the source

regions. There exists a strong demand pull alongside an assured market in the cities for these migrants who are generally less educated and low-skilled. Though women are principally associational migrants and are dependent on the male household members but often they are found to participate in the labour market to contribute to the family wage pool. The high cost of living in cities is the rationale. But the decision to migrate is often involuntary brought about by compulsion to support their poor family and relocation after marriage. In most cases, it is the male head or the family as a whole decides to migrate. Other attracting pull factors include search of better and wider opportunities, access to specialized medical and educational services, desire for financial autonomy and to improve their life chances and quality. But some push factors identified are landlessness, unyielding uneconomic landholdings, rising debt, oppressive caste rituals, stagnant economic undertakings and environmental distress that compel lower income population groups to migrate to urban centres preferably to big metropolises.

Slums in Kolkata shelter a considerable share of migrants who have generational roots in Bangladesh and are living in this city since the post 1971 partition era. The presence of jute and paper mills, metal manufacturing units, state administration seat, specialized high-end healthcare and educational services in the city and its suburbs absorbed the migrant population.

But whether migration is involuntary or voluntary and be it owing to push or pull factors, presence of a social network is crucial behind the geographical and socio-economic mobility of the migrants. A social network, in the form of family members, relatives, friends and even acquaintances from the native villages, acts as a cushion for the migrants. The presence of known people in the alien destination is a significant determining factor in migration. This is because, the choice of destination by the prospective migrant, the motivation to move out from village, knowledge about urban way of life and availability of suitable employment opportunities are all gathered from the social connections those who have already migrated earlier and are staying in the city. Upon arrival to the new city, often migrants find initial shelter in the homes of the social connection. Moreover the social connection works as a middleman or agent within the multitude of informal channels that are operating for labour recruitment in informal and contractual work market. The social connection forms the important link for the prospective migrant worker to find suitable work, provide for the food and lodging during the intervening time when the migrant is actively seeking for work, often acting as the mediator during times of financial crisis in the unfamiliar city space. Most of the times, employers hire the migrant workers solely on basis of the word of mouth and mutual trust of this known social connection, who may be working currently or prior with the employer. Even for migrants who venture into self-employment such as petty trading businesses often need the initial financial support from their social networks.



### **1.5 Informal Sector: A Refuge to Migrants**

There emerged three schools of thought regarding the origin and persistence of informal sector: 'dualist school, structuralist school and legalist school' (Chen, 2006). The term 'informal sector' came to be widely used since it was introduced by Keith Hart in 1973 and one has to define the sector either in terms of enterprise or employment approach (Charmes, 2012).

Informal sector in India employs more than 92.0 per cent of the working population of the country as per the NSS 2004-05 61<sup>st</sup> round (National Commission for Enterprises in the Unorganised Sector [NCEUS], 2007). The proportion of women workers in the informal employment is an overwhelming 95.9 per cent (NCEUS, 2007). About 70.0 per cent of women in the unorganised sector are self-employed (NCEUS, 2007). Paid domestic work, construction, home-based manufacturing (garment) and piece-rate production have significant share of unorganised women workers in urban India. Male workers are mostly concentrated in non-agricultural unorganised manufacturing such as in small factory units, transport and storage, trade and repair services, hotels and trade, sales and other services such as skilled and semi-skilled workers in construction, brick kilns, transportation, machine operation. As per the NCEUS, 2007, the share of informal workers in clerical, administrative and professional occupations are much less than other sectors and there lies a gender gap with women constituting much lesser percentage share than men. International Labour Conference (ILC) 1999 reached a consensus on aspects that constitute decent work, which were broadly sub-grouped into 'rights at work, employment opportunity, social protection and social dialogue' (Ghai, 2002). Decent work as conceptualized by International Labour Organization (ILO), 1999 is the one which brings in dignity, equality, fair income and safe working conditions but are practically absent in informal employment.

Informal employment has thrived in Kolkata conspicuously since 1991 with the economic liberalisation both in production and service sector. Occupational classification of the slum residents and of the daily commuters who contribute to the economy of Kolkata depict diversity in nature of work, income levels, location of work, employment status, working hours and working conditions.

### **1.6 Study Area**

Kolkata Municipal Corporation (KMC) area forms the study area. Being located on the eastern bank of river Hooghly, it is the seat of administrative, financial, manufacturing, commercial and educational centre for eastern India. Being a port and focal centre of the third largest urban agglomeration (UA) in India; Kolkata Urban Agglomeration (KUA) or Greater Kolkata spreads across 6 neighbouring districts sheltering 14.1 million population, having KMC as the chief Urban Local Body (ULB) delineating 141 wards under its administrative jurisdictions across 185 square kilometres with a population of 4.5 million as per the Census of India, 2011.

Interestingly the city of Kolkata is criss-crossed by the suburban railway network which connects workers from the neighbouring KUA districts; (North and South 24

Parganas, Hooghly, Haora, Nadia) into the city. The railway system thus connects the villages and small urban centres spread in the hinterland of Kolkata to the metropolitan labour and livelihood market.

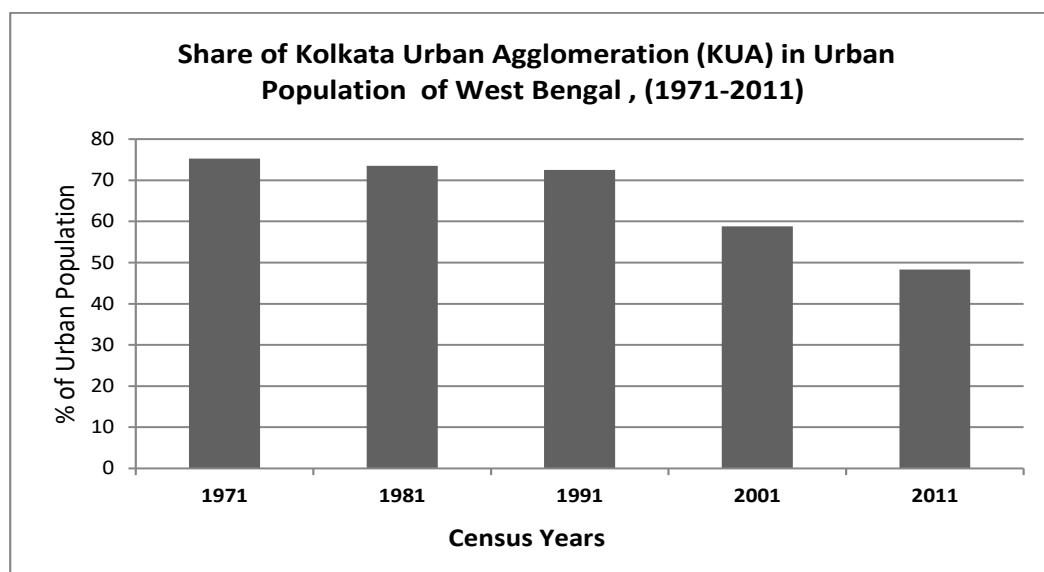
## 1.7 Database and Methodology

The paper is based on primary field data collected by canvassing a detailed questionnaire in 2015-16 from 360 slum households distributed across 45 selected slum pockets in KMC and from 240 households located in the KUA districts including residents of villages and small towns; from where they commute daily into the core city for livelihood. Questions related to the socio-economic background, migration, nature of work and details of the household members were asked to the adult (18 years of age and above) women respondents who were employed as live-out paid domestic workers in Kolkata. Stratified random sampling and snowballing techniques were used to identify the respondents. Further the sample was collected equally across geographical zones; north, west, south and central Kolkata so that the data does not inherit spatial bias. The data has been presented in tabulated forms and is disaggregated using selected independent variables that influence migration pattern and occupational distribution of the households.

## 2. Findings and Discussions

As per the Census of India, 2011 about 31.9 per cent of the population of West Bengal lives in urban areas. The level of urbanization thus increased from 28.0

**Figure 1**  
**Share of Kolkata Urban Agglomeration in Urban Population**  
**of West Bengal, (1971-2011)**



*Source:* Computed from Primary Census Abstract, Census of India, (1971-2011). The primary survey reveals interesting facts about the low socio-economic and poorer households of the slums in Kolkata city.

per cent in 2001 with addition of 537 towns (6 statutory towns and 531 census towns) by 2011 (Premi and Das, 2012). Within this phenomenal urbanization, KUA covering most of the towns on both the banks of river Hooghly accounted for 75.3 per cent in 1971, 73.5 per cent in 1981, 72.5 per cent in 1991, 58.8 per cent in 2001 and 48.3 per cent in 2011 of the total urban population of the State (Figure 1). Not with standing the decrease in the share of urban population of Kolkata in KUA over the decades, the city alone shelters 32.0 per cent of the urban population of KUA and accounts for 15.5 per cent of total urban population in the state (Census of India, 2011). About 30.8 per cent of the urban population of West Bengal resided in slums, while 31.4 per cent of Kolkata's population lived in slums, which amounts to 10.0 per cent of population of KUA (Census of India, 2011).

## **2.1 Migration Behaviour among Workers in Kolkata: A Socio-Economic Approach**

Saskia Sassen in her books, 'The Mobility of Labour and Capital' (1988) and 'The Global City' (1991) theorized about the how globalisation brought about redistribution in the resources and modes of production in social and spatial scales, which has initiated a massive migratory behaviour of the labour from the stagnating rural areas to the flourishing cities within the developing south. Economic distress among the small farmers, agricultural labours, tenants and share-croppers as a result of agricultural mechanisation, has pushed the poorer families to migrate to cities for informal service work. Structural changes in farming wherein bigger landholders benefited through commercialised production and Foreign Direct Investment (FDI) along with climatic disasters like drought has created troughs of inequality in the rural farming households. Thus it overflowed as duress rural to urban migration. Most migrant women maids employed in the cities belong to agricultural household and Kolkata is no exception. Similar trend is replicated amongst the tribal households whose forest lands and traditional indigenous livelihoods have been shrinking under global capitalism and are thus migrating to the cities for sustenance. The deceleration of manufacturing sector in smaller tier towns has also impacted the bloated tertiary sector apparent in the bulging of lower order petty informal services replete with disguised and underemployment in the cities.

The section below will try to understand the migration characteristics, causal factors of migration and linkages of the migrant households with the source region. It is been seen that around 46.0 per cent of the slum-dwelling women respondents are migrants, of which 69.0 per cent and 31.1 per cent migrated from rural areas and urban centres respectively. Among the commuter women respondents who work as live-out domestic workers, 46.3 per cent were migrant women who have migrated from villages (62.2 per cent of the migrant commuting women) other than their present place of stay and 38.0 per cent from urban areas. Women are regarded as associational migrants and the decision to migrate is primarily a family decision (91.3 per cent). The rest of the women were heads of their families and decided by self to migrate to the city. It may be mentioned here that 4.0 per cent of

the women facing family objection for choosing to migrate into Kolkata. Women maids migrated with their husbands (68.3 per cent in slums and 73.0 per cent among commuters) after marriage to join their husbands and marital family into the slums, but around 9.4 per cent women had to migrate with parental families, mostly during their childhood, while only about 3.3 per cent migrated alone to the city.

Reasons of migration are classified into economic, socio-political, socio-cultural and natural. (Table 1) Apart from marriage (60.0 per cent), reasons cited focus on poverty (7.0 per cent), search for better employment and high paying jobs (20.0 per cent). Other economic reasons that emerge were non-availability of suitable work options and low wages at their native places and work compulsion to repay debt. Strikingly more than 5.0 per cent women informed that they were compelled to migrate into Kolkata in desperation for self-sustenance along with their children after spousal death or separation. On the other hand, natural calamities, political unrest, family feud over property and sudden demise of parents in childhood also forced about 7.6 per cent of the women to migrate.

**Table 1**  
**Reasons cited by Domestic Workers for Migration from their**  
**Native Places and Persons Migrated With**

Reasons for Migration by Domestic Worker				People Accompanying During Migration		
Causes	Reasons	Primary Response (%)	Secondary Response (%)	Migration With	Slum Respondents (%)	Commuter Respondents (%)
Socio-cultural	Marriage	59.64	0.0	Single	2.4	4.5
	To join husband in city/ to look after husband or other relatives	5.82	10.0	Parental family/ kin	13.4	3.6
	Death of parent	1.82	0.0	Husband	68.3	73.0
Economic	Poverty	6.91	20.0	Peer group/ friends	0.6	0.0
	Widowhood/ Marital Separation/ for Self Sustenance	5.09	0.0	Other distant relatives	1.8	0.0

Reasons for Migration by Domestic Worker				People Accompanying During Migration		
Causes	Reasons	Primary Response (%)	Secondary Response (%)	Migration With	Slum Respondents (%)	Commuter Respondents (%)
	To search better job & good paying job	10.55	40.0	Known people of native place/co-villagers	0.6	0.0
	Work to repay loan/debt burden	1.09	0.0	Child/children only	3.7	6.3
	Lack of work/low income in source region	3.27	25.0	Marital family/husband and children	9.1	12.6
<b>Socio-political</b>	Feud with family over property	2.91	0.0	Total	100.0	100.0
	Political reason	2.55	5.0			
<b>Natural</b>	Natural calamity	0.36	0.0			
	Total	100	100			

Source: Computed from Primary Survey, (2015-16).

Migration is mainly of short-distance and inter-district in nature, as it is from the surrounding KUA (86.0 per cent of total migrants) districts. South 24 Parganas (52.1 per cent), North 24 Parganas (9.1 per cent) and Purba Medinipur (3.6 per cent) stand out as the most contributing districts to in-migration to Kolkata and native place of the commuters. Few cases of long distance migration from neighbouring Bangladesh (3.2 per cent) have also been reported. Few districts of Bihar (7.2 per cent) such as Nawada, Saran, Gaya, Vaishali, Munger and Patna are found to have steady migration links with Kolkata. Migrants from Odisha (1.4 per cent) and Jharkhand such as from Bhadrak, Ganjam, Dumka districts were also found working as domestic workers in the city. Recent migrants (less than 5 years of duration of residence) comprised about 7.6 per cent. A major chunk of migrant women (43 per cent) were permanent and older generation migrants who moved to the city and its immediate suburbs almost 20 to 40 years ago, while another 38.2 per cent comprised of women living less than 20 years.

Many commuter women revealed that they have migrated into the suburbs of Greater Kolkata such as in Sonarpur, Garia, Baruipur and Barasat from remote

villages of South 24 Parganas district in order to cut down on travel costs and impending time. Migration decision owing to financial indebtedness was jointly taken with their husbands in order to find work in the city. This living arrangement helped them earn a higher income relative to their native places and would enable them to pay back their loans. High rental accommodations and exorbitant cost of living in Kolkata compels them to live in its suburbs incurring much lesser house rent and travel cost. About 45.5 per cent of the migrant women respondents had their ancestral roots of their marital family back in source regions and about 50.0 per cent of these women are presently living with their husbands with or without children, with in-laws (12.7 per cent). Other than that about 17.3 per cent women are widows or separated from spouse and are living with son and daughter in-law and grandchildren. While another 14.5 per cent live alone. 60.0 per cent of these women have a male headship in their household and are scheduled castes (SCs).

The demographic composition of the migrant women respondents shows that almost 52.0 per cent are SCs, 14.5 per cent are other backward castes (OBCs), and 30.4 per cent are general castes. 10.4 per cent are Bihari and speak Hindi while the rest are Bengali. Illiteracy and low level of educational attainment are widely reported among the women paid domestic workers; 65.6 per cent of the migrant women maids are illiterate and among the literates, only 11.6 per cent have completed elementary schooling. There is close linkage between women belonging to low economic strata and their participation in paid informal work. Women migrating with family or with husband after marriage often seek to earn a living to support their households to suffice for the raised cost of living in the city. Thus even though some women have no prior experience of working, they participate in the labour market post migration.

## **2.2 Social Networking: A Medium for Migration and Employment Accessibility**

Technology has allowed new forms of global economic organizations, enhanced spatial inter-linkages and evolution of newer patterns of work profiles catering to the growing demand backed by financial affluence in the developed seats of capital world (Castells, 2000). The neo-capitalism and socio-cultural transformation together with the power of networking based on strengthening of information and communication technology (ICT) has modified the social structure and patterns of modes of production. The 'network society' (Castells, 2000) has given impetus to social reproduction and intricacies in social networks and emergence of new types of social processes.

Migration has been seen as a backbone of the steady supply of cheap labour into the cities, who provide valuable services in the heavy demand labour-intensive and personalised jobs like paid domestic work, laundry and security service, sanitation among many. It also signifies the strong network of social relations that help to cope with opportunity cost of money and time invested in migration. The already existing social network in the form of known villagers, extended families



and relatives provide the benefits of initial stay upon arrival, often finding jobs via word of mouth and teaching the conventional trade tactics of their occupation (Figure 2). The existence of the blooming network of friends, peer group and native acquaintance can be estimated also from the remittance linkage that exists between the source and the destination regions.

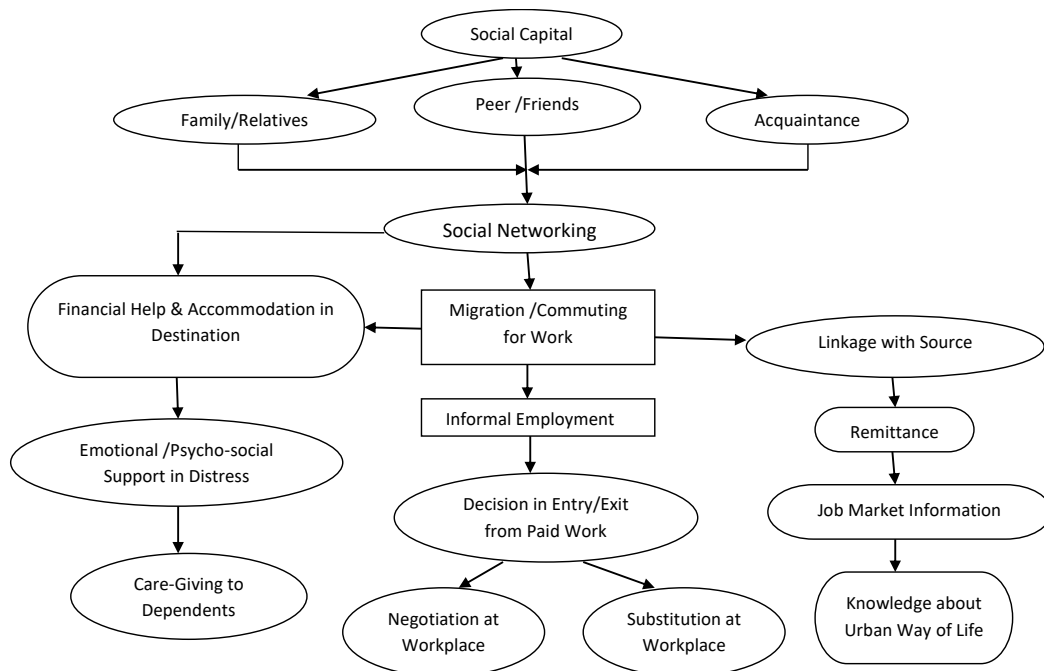
Paid domestic work primarily thrives on the information network within close linkage of maids and the personal contacts with employers. Thus presence of a social network is the foremost determinant in the introduction and sustenance of the women in the job. Usually it is the sisters, aunts and other women relatives of the maid who have prior work experience in paid domestic work who help in the recruitment process. 45.3 per cent of slum and 38.0 per cent of commuter women inform that at least two of their family members (both parental and marital), are domestic workers.

Low wages, insufficient work and indecent working conditions in the source region were reported by 42.4 per cent of the migrant women domestic workers as motivating reasons to search for paid domestic work in Kolkata not with standing their employment as maids in source regions. About 16.0 per cent of the migrant maids claimed that they have household members who had migrated to the city to search and access paid domestic work whereas 50.7 per cent claim that other women in their family also earn their livelihood through paid domestic work; 12.0 per cent reporting to have three or more members into this profession. The familiarity of work profile since childhood owing to generational nature of the occupation and presence of social network within the extended family and acquaintances facilitates easy entry into paid domestic labour market.

About 17.4 per cent of the women migrants in slums acknowledged the help they received from their social network in accommodation, job search and setting up their own homes in slums. The slum-dwelling respondents inform that they usually visit their native places mostly once (23.7 per cent) or twice (11.5 per cent) a year especially during festivals but duration of stay is brief often one week or less. About 42.1 per cent migrants do not visit at all and another 8.3 per cent visit after longer intervals.

Remittance money is an important linkage between the migrants and their families at native place. Around 71.1 per cent domestic worker households take the remittance money along with them during their yearly short visits especially during festival occasions or sent the money via their social circle to their kith and kin, usually in small amounts of Rs 500 to 1000 per transfer. Women also send money for the upbringing of their children who are staying with their grandparents at native places. Some women have even reported to financially support their married daughters and thus making clearly evident the background social network system.

**Figure 2**  
**Role of Social Networking in Migration and Accessing Employment in Informal Sector**



Source: Framework developed from the observed social networking mechanism/relationship and effects in the Primary Field Survey, (2015-16).

### 2.3 Social Network in Paid Domestic Labour Market in Kolkata

Informal sector services such as tailoring, shoe repairing, laundry, sweeping and sanitation work, paid domestic work, car driving and cleaning, gardening, plumbing, hair dressing and personal grooming services are performed in close proximity to the service demanding urban middle and higher income residential household areas. These informal jobs thus require personalized niche of contacts of the potential worker with employers through a number of social network chains of people. The process of recruitment and finding work necessitate acquaintances for both the employer and informal workers who act as mediator and representative between the parties as the nature of work is personalized catering to customised improvisations entailing issues of trust to large extent.

The involvement of social network in introduction to the occupation of paid domestic work, acquiring new employer houses and also assistance in wage fixation is fairly strong and observable extensively. The social network of the women maids is generally constituted by other women and a large share of which is familial in character. They often provide financial support through interest free loans in times of emergency economic crisis. Around 21.4 per cent of the slum-dwelling women

who borrowed from sources other than employers received monetary loans from neighbours, acquaintances, relatives and peers. Most women also claimed to have helped new maids find job and teach them trade tactics. Around 35.0 per cent of slum-dwelling maids and 28.0 per cent commuter women have helped newly commissioned workers with job information and about 10.5 per cent have imparted cues for better work opportunities.

Thus about 35.3 per cent slum and 28.0 per cent commuter women stated to have been introduced into this profession by their social network, primarily comprising of mothers (13.3 per cent), neighbours (24.0 per cent), friends and co-workers (11.7 per cent), male members of family (11.0 per cent). The network operation is also seen when maids are working via placement agencies. Most agencies informed to have enrolled women who came to their centres after being informed by their peers, friends and distant family who used to work via the agencies. The mechanism of word of mouth and recruitment via persuasive endeavours by the subordinates and agents of the placement centres are other ways in which social networking operates. On same note, the information about newer employer prospects is also received by means of dense and complex social network channels through chance meetings and verbal communication among 61.1 per cent of slum and 50.0 per cent of commuters. Although most women (34.2 per cent) claim to have got more work by self searching efforts, but neighbours (23.0 per cent), friends (13.3 per cent) and sisters, mothers and women (8.3 per cent) in families and also co-workers (3.8 per cent) and current employer (6.5 per cent) help in channelling information about new job prospects. Acquisition of current job was being made with the help of placement agency (6.0 per cent) and peer group (30.2 per cent) also. Likewise wage negotiations with the employer are often found to be primarily tackled by the social network (35.0 per cent) (Table 2).

The effective power of the social network could also be gauged from the fact that decision to earn livelihood through this profession had been taken by the family of the women maid in 20.0 per cent of the cases. The role of the mother (5.8 per cent) and husband (12.0 per cent) of the women workers were prominent amongst all. Likewise about 13.2 per cent of the women domestics had to confront objection from her family for opting to work in such a demeaning and socially disrespectful profession. Around 45.0 per cent maids had left employer jobs multiple times during their job tenure out of which 13.1 per cent slum and 22.1 per cent commuter women consulted with their family before discontinuing their services. The principal advisors were husbands (46.5 per cent), parents (8.6 per cent) and son (2.3 per cent). Similarly several women reported to have discussed and taken permission from their male guardians for participating in paid work, often facing objections and disapproval from them. The mothers and daughters of these women maids also substitute at workplaces during instances of absenteeism and sick leave. 9.2 per cent of slum and 3.3 per cent of commuter

female family members primarily daughters (50.0 per cent), mothers (25.0 per cent) and daughter in laws (16.7 per cent) had substituted them at workplace. The support also transcendences in to sharing and teaching these women trade tactics and on the job training from co-workers (13.1 per cent) and mothers (10.1 per cent).

Presence of a strong social network especially peers, friends and relatives helps this occupation thrive at every step involving introduction to this occupation, sourcing work information, in recruitment negotiations and work substitution as well. Thus networking is a medium of sustaining association with the origin, with kin, undertaking migration and securing livelihood and fulfilling psycho-social needs.

**Table 2**  
**Distribution of Domestic Worker Sub-Groups according to**  
**Presence and Role of Social Network**

<b>Social Network of the Domestic Workers</b>	<b>Slum Worker (%)</b>	<b>Commuter Worker (%)</b>	<b>North Kolkata Worker (%)</b>	<b>South Kolkata Worker (%)</b>
Wage decided by Family/Peer/Relative	1.11	3.75	5.0	0.5
Consult Family/Peer/Relative before leaving work	1.39	1.67	1.5	7.7
Substitute for workplace by Social Network	9.17	3.33	3.5	9.3
Sources of loan among Social Network	4.17	4.58	2.5	3.5
Introduction to paid domestic work by Family/Friend/Relative	48.89	61.67	72.8	73.8
Work got through Social network	37.5	24.17	33.3	29.2
Work information through Social Network	61.11	49.58	52.6	65.6
Helped introduce any new entrant into this job	35.3	27.9	26.8	33.5
On the Job training from social network	3.06	1.25	4.0	2.5
Leisure time spent with Family/Friends	5.0	8.33	8.1	7.3
Decision to joinpaid work by Social Network	1.38	0.42	16.2	14.6

<b>Social Network of the Domestic Workers</b>	<b>Slum Worker (%)</b>	<b>Commuter Worker (%)</b>	<b>North Kolkata Worker (%)</b>	<b>South Kolkata Worker (%)</b>
Family/Relatives disapproving paid domestic work	4.44	2.5	1.5	4.4
Family/Relatives helping in household chores	11.94	5.83	47.0	44.2

Source: Computed from Primary Survey, (2015-16).

## **2.4 Informal Occupations for Livelihood and Work Diversity in Kolkata**

Urban informal employment scenario in Kolkata can be gauged from the occupational distribution of the slum and commuting population. The occupations are diverse from making incense sticks, shoe-lace cutting, tailoring under home-based work and under casual wage work with most working as masons, construction workers, rickshaw-pullers, freight-loaders, domestic workers, drivers, shop helpers and security guards. In the following sections the share of occupation of the household members, parents of the women respondents and that of the women workers are discussed in detail.

## **2.5 Occupation of the Household Members of Domestic Workers**

The survey collected economic profiles of 2485 household members of the respondent domestic workers, of which around 1107 members (39.0 per cent) are out of labour force or unemployed. Among the remaining 1378 family members, 51.7 per cent worked as paid domestic workers (except the interviewed 600 women, another 112 women household members were working as maids). Incidence of unemployment is marginally higher in the households of commuting domestic workers (11.6 per cent) as against 8.4 per cent of slum households (Table 3). Among the male members vehicle driving was the most common choice of profession, with 12.0 per cent of the members being employed as private car (69 members), taxi, auto (10 members) and truck drivers. A larger proportion, especially the husbands of the domestic workers were self-employed as rickshaw-puller (40 spouses) and van drivers (29 spouses). Almost 99.0 per cent of the members work in the private sector, and only 1.4 per cent are in the public sector. Most members employed in regular salaried jobs are literates (79.2 per cent) while only 52.7 per cent of the self-employed members are literate. The positive relation with higher education and high wage and regular employment can be estimated from the fact that about 39.3 per cent of the household members in regular salaried employment have attained secondary education and above as compared to 21.8 per cent and 16.6 per cent of the self-employed and casual workers respectively.

**Table 3**  
**Distribution of Household Members of Slum Dwelling and Commuting Paid Domestic Workers by Status of Employment**

Employment Status	Household Members	Slum Households		Commuter Households	
	Status of Workers	N	%	N	%
Employed	Regular Salaried in Private Sector	125	14.19	45	8.96
	Regular Salaried in Public Sector	18	2.04	5	1.00
	Self Employed/Own Account Worker	133	15.10	87	17.33
	Casual Labour	162	18.39	108	21.51
	Unpaid family Worker	3	0.34	0	0.00
	Domestic Worker	440	49.94	257	51.20
	Total	881	100.00	502	100.00
	<b>Status of Non-workers</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
Unemployed	Unemployed	76	11.89	81	17.49
Out of Labour Force	Student/Enrolled in Education	339	53.05	169	36.50
	Drop-out/Perform Domestic Duties	115	18.00	115	24.84
	Dependent (Sick/Disabled/Retired/ Pensioners)	109	17.06	98	21.17
	Total	639	100	463	100

Source: Computed from Primary Survey, (2015-16).

Among the regular salaried in the slums, more than 90.0 per cent are males and 37.7 per cent members are never married belonging to mostly younger age cohorts. Domestic workers are identified with the nature of work they perform and there is significant difference in age cohorts and the work pattern. Median age of domestics who are engaged in baby-sitting is higher at 47 years than the ones who perform cleaning work (40 years). Similarly a larger share of widowed women is seen to earn livelihood from ayah work (38.5 per cent) than only 19.2 per cent of the domestic helpers. Caste affiliations also do determine the nature of work. Generally caste based occupational classification is typically observed in Indian society where scheduled castes are associated with sweeping, sewage handling, shoe making, cobbling, leather tannery workhandling animal skins, hides and wastes along with domestic work. Such work is patterned on caste hierarchy and notions of pollution and purity. In Kolkata, few slum localities such as Tangra



and Topsia in the eastern part and K.C. Sen Street in central city have segregated housing on basis of the caste based work pattern.

Among the out of labour force group, 20.4 per cent of the family members are currently enrolled in educational institutions, 9.3 per cent do unpaid domestic work or are drop-out males who are reluctant to work and another 8.3 per cent are dependent including disabled, old, sick and infants. Around 6.3 per cent of all members are unemployed; with 11.0 per cent of males and 2.0 per cent among females actively seeking work. Among the employed, 12.2 per cent are employed as regular salaried in private sector and only 1.7 per cent in government jobs. 16.0 per cent have their own business enterprise and 20.0 per cent are casual labour earning in masonry work, painting and plastering work, grocery and garment shop attendants and security guards. In slum households widowed members constitute 24.0 per cent dependents while 27.0 per cent work as domestic maids. Household sizes of the rural self-employed agricultural and non-agricultural households are relatively much larger with about 50.0 per cent and 58.3 per cent households having 4 to 8 members respectively. On the other hand, 55.4 per cent and 47.1 per cent of the urban self-employed and urban regular salaried households have 2 to 4 members. This also explains the influence of household income on household size which is found to be negative and also becomes the rationale for greater work participation, higher drop-out rates and multiple informal occupations among the lower income household strata.

Farming and pisciculture on own land or as tenants is the most common livelihood of the male household members of village dwelling commuting maids. Rural agricultural households (8.8 per cent) thus send their women folk to Kolkata for supplementing their inadequate earnings from crop cultivation. It is followed by basket weaving and cane-goods manufacturing and *bidi* (tobacco filled mini cigarettes) making. About 21.7 per cent of the rural households sending their women for paid domestic work in Kolkata are non-agricultural self-employed and casual wage labour households, while 9.2 per cent are regular salaried households. The distribution of urban households located both in Kolkata slums and other towns spread across KUA districts which send their workforce to the city have 17.0 per cent casual wage households and 19.0 per cent self-employed households exclusive of the ones where women domestic worker is the household head.

Retail and wholesale trade (7.0 per cent) of garments, crockery, toys, tobacco products, food items and books are some of the commonly occurring livelihood sources in the city. Manufacturing of textile hosiery, hardware, metallurgical products, leather, plastic, glassware and wood also employ few male working members (6.0 per cent) in small and mini scale manufacturing units in the city. Many families reported almost all of their male workers to be employed as carpenters, and factory workers and a considerable number are earning casual

wage as mason helpers, manual workers in cargo handling, *pandal* (marquee) construction and kiosk decoration. Men are also employed as car-repairers, car-washers in garage, electricians and mechanics, in construction sites as plasterer and mosaic polishers and painters (7.5 per cent), machine handlers in printing press and book binding units. Fishmongers, butchers, street hawkers selling fast food and dry snacks, fruit and vegetable vendors, ice-cream and juice vendors and cooks and helpers in sweetmeat shops, catering service and home delivery are among the ones employed in food and beverage sector. The proportion of members providing personal and elementary informal services is quite high with employment as launderers, salon workers, shoe making, sweepers and security guard, office peon and support staff. All occupations thus are informal in nature with low and irregular payment and almost no job security. Only few men and women who are employed in railways, municipal corporations as clerks, electrician, garbage collector and sanitation worker, traffic policing are entitled to perks of working in public sector organisations. About 38 household members work as office clerks and assistants and accountants in private organisations and draw regular monthly income but with no job security.

The occupational profile of the parents of the domestic workers has also been mapped. 30.2 per cent fathers are found to have earned livelihood as sharecroppers, farmers in own landholdings and in forestry and fishing activities. Construction sector (6.6 per cent), manufacturing (6.2 per cent), retail trade (8.2 per cent), land transportation (5.0 per cent), other personal services including housekeeping, caretaking and domestic help services (7.7 per cent) and other unclassified casual employment (3.8 per cent) are some of the other avenues of work participation of the father of domestic workers. Though almost half of the domestic workers (48.5 per cent) had their mothers as homemakers, but around 9.0 per cent mothers were employed in agriculture and fishing. Less than 2.0 per cent of mothers were also earning their livelihood from waste collection, petty trading and food service each.

## 2.6 Secondary Occupation among Women Paid Domestic Workers

Many enterprising and laborious women domestic workers take out time and effort for more work in order to earn more (46.0 per cent slum and 36.4 per cent commuter women) and provide an increased monetary support for her family. The National Classification of Occupation (NCO), 2004 is followed in categorizing the occupations (Table 4). Many choose to sweat it out within their homes in home-based self-employment at piece-rate or contractual basis of payment in cutting shoe laces, making envelopes, sewing garments, book binding and making flower garlands among various others often juggling more than one secondary activity. About 44.4 per cent women engage in this kind of work daily, while the remaining work up to 10 days to 20 days per month.

**Table 4**  
**Distribution of Paid Domestic Workers according to**  
**Secondary Economic Activities Performed**

<b>Types of Secondary Occupation Among Paid Domestic Workers</b>		
<b>Occupation Types (NCO 2004)</b>	<b>N</b>	<b>%</b>
Self-employed/Business	5	11.1
Teaching Professionals	2	4.4
Life Science and Health Associate Professionals	2	4.4
Customer Services Clerks	1	2.2
Personal and Protective Service Workers	3	6.7
Market Oriented Skilled Agricultural and Fishery Workers	3	6.7
Extraction and Building Trades Workers	1	2.2
Precision, Handicraft, Printing and Related Trades Workers	2	4.4
Other Craft and Related Trades Workers	11	24.4
Machine Operators and Assemblers	5	11.1
Sales and Services Elementary Occupations	9	20.0
Agricultural, Fishery and Related Labourers	1	2.2
<b>Total</b>	<b>45</b>	<b>100.0</b>

Source: Computed from Primary Survey, (2015-16).

Around 45 (8.0 per cent) of the respondents earned money from self-employment (46.7 per cent), daily casual wage (31.1 per cent) and piece-rate work (22.2 per cent). Among the self-employed, 9.0 per cent and 2.2 per cent women were involved in a partnership business and sole proprietorship hiring workers under them respectively. The location of their secondary workplace is their own dwelling unit (59.0 per cent) or on the street (26.0 per cent). Many women reported to use their culinary skills to run road-side food kiosks and tea shops (15.4 per cent) or at market places near their homes (23.5 per cent) selling breakfast and meals in order to earn more especially for comfortable upbringing of their children. Many offer tailoring services to their neighbourhood houses. Women performing massage work, salon work or sewing and tailoring have reported to have received a minimum training for about 180 days. Some women reported to have taken micro-financial loans to start their ready-made garment vending business. Around 18.0 per cent women have revealed that lack of enough work opportunity in paid domestic work and need for economic utilization of the free time (24.0 per cent) compelled them to earn via secondary jobs. 13.1 per cent women also helped in family enterprises as an unpaid family labour. Monthly income earned from secondary work is mostly below Rs. 1000 (57.0 per cent), while 25.0 per cent earn in between Rs. 1000 to Rs. 3000 and 18.2 per cent women pocket more than Rs. 3000.

## 2.7 Occupational Shift within the Informal Sector among the Women Workers

Occupational change is a widely noticed phenomenon among the paid domestic workers who have shifted through jobs before finally earning from maid work which includes baby-sitting, elderly care-giving, cooking and domestic help. Around 24.2 per cent of the women interviewed changed their occupation into domestic work. The remaining 68.0 per cent were house-wives and 2.3 per cent were students and others were unemployed before entering this profession. This reflects the economic standing of the urban informal sector with lack of alternative decent income jobs and work dissatisfaction stemming from irregular poorly compensated jobs. Among the women who were engaged in prior economically gainful work, 56.6 per cent were working as ayah in hospitals, live-in maids, and other care activities. Around 10.0 per cent of commuter women worked as farm help in family landholdings or as hired agricultural labourers and share-croppers in others' land. Quite a few women (13.7 per cent) were involved as casual or piece-rate workers in manufacturing of consumer products which entailed home-based work against meagre amount of payment. Slum women are usually involved in preparing incense sticks, envelope boxes, toys, garland, buttons, bags and purses, nylon nets, *zari-moti* (thread, pearl and crystal) embroidery work and *bidi* making among others. Few women also worked as salon assistants, sweepers, brick kiln workers (2.8 per cent). A handful of women were also found to be running petty businesses (7.6 per cent) of selling tea, snacks and food items, but irregular and insufficient income from self-employment made them engage in work as domestic maids.

Better scale and regularity in income and thereby increased scope of saving money was reported by 47.0 per cent of the maids as the main reason for opting into paid domestic work. Flexible work-time and greater ability to look after own household and children (11.4 per cent) was another important determinant of the occupational change, followed by health deterioration (10.2 per cent) which did not permit the women to continue their previous occupation. Commuter women who reported to have worked in the fields as casual labour or engaged in unskilled Mahatma Gandhi National Rural Guarantee Act (MGNREGA) activities such as canal dredging, irrigation works, preparing fields in their villages, vehemently proclaimed to dislike earning through such arduous manual labour under scorching sun (8.9 per cent). Other factors included workplace being far, presence of male co-workers at the manufacturing units and travel issues. Marriage, child-birth and relocation of family head, retirement from previous occupation (10.1 per cent) were also some of the secondary reasons for occupational change.

## 2.8 Occupational Distribution of Head of the Household

Occupation of the household head is an important influence in economic position of the household, general standard of living and at times occupation pattern of the family members and work participation by women along with many other factors.

About 40.0 per cent slum households canvassed are women-headed while for the commuter households it is 35.0 per cent. Household heads of slum (56.4 per cent) and commuter (75.0 per cent) workers are illiterate while 18.6 per cent and 17.1 per cent are educated up to primary schooling respectively. Gender gap in literacy is conspicuous when the statistics show that 70.0 per cent of the heads in women-headed households are illiterate and only 2.8 per cent have attained education at secondary schooling and above. The corresponding figures for male-headed households stand at 48.0 per cent and 16.6 per cent. Low educational attainment has been linked to concentration into unskilled or semi-skilled manual informal occupations and to consequently low income levels. It is not surprising that a meagre 8.8 per cent of the women-headed households have education in between secondary schooling to graduation level whereas it is thrice as much (24.0 per cent) for the households with male headship. A considerable portion of the slum (34.2 per cent) and commuter (28.3 per cent) household heads are women and are employed as part-time live-out domestic workers.

52.8 per cent and 7.5 per cent of the slum household heads are male spouses and others primarily father and father in-laws while 27.5 per cent are women who work as maids. Caste wise disaggregation shows that about 30.3 per cent women heads are OBCs with about 8.0 per cent of the SC households have elderly women heads. Male spouse of the respondents are mostly the household heads in a nuclear family (66.0 per cent) unit while the mother in-laws (21.4 per cent) and the father in-laws (14.3 per cent) share the headship in joint family structure in the slums.

About 7.0 per cent slum and 9.0 per cent commuter household heads are dependants, old, disabled and sick. It is interesting to note that about 16.3 per cent of the commuter household heads are unemployed as against only 5.6 per cent of the slum household heads and these are mostly the husbands of the domestic workers. This is corroborated with 22.7 per cent and 12.6 per cent of the married commuter maids stating their husband's unemployment and sickness as the reason behind their work participation in paid domestic work. Regular salaried in both private (14.2 per cent) and government (1.4 per cent) sectors is higher among the slum household heads than among the commuter households at 9.2 per cent and 0.4 per cent correspondingly. Self-employment (19.8 per cent) and casual wage employment (15.0 per cent) are the two most common occupation categories of the household heads in slums and in 17.1 per cent and 18.3 per cent among the households which send commuting workers into Kolkata city. Almost all Muslims and few Hindu OBCs reported that their household heads earn living through casual wage labour both in private (21.2 per cent) and public (3.0 per cent) sector jobs; which was highest among the social groups. Comparatively only 13.3 per cent of the general caste household heads were into casual wage work in slums relative to only 13.6 per cent of the SC household heads being employed in regular salaried jobs. In comparison to the slum (15.6 per cent) households only



9.6 per cent of household heads of the commuter worker drew living from regular salaried employment.

### 3. Conclusion

Informal sector in India employs a substantial proportion of working population. The share of workers participating as casual wage labour and in self-employment escalated after the economy was opened up to globalisation. Notwithstanding the perils of job insecurity, low and irregular wages, indecent working conditions and lack of social security the proportion of urban workforce in unorganised work has risen over the two and half decades. In recent times there has been a renewed interest in informal economy with growing debates over policy revisions ensuring social security to the workers engaged in it. It is also acknowledged that there lies a linkage between the formal and informal sectors through capital, monetary and product intermediaries. With rising 'jobless growth', economic recessions, and lower skills of the labourers in the rural agriculture sector who are pushed out of the already overburdened and saturated market, eventually seek refuge in the informal sector. The workers thus displaced from capital-intensive agriculture and privatised industries in villages and small and medium tier urban centres migrated to big cities and metropolises for earning their livelihoods.

Informal workforce is largely engaged in low productivity, not decent and overcrowded occupations and forms a substantial share of urban workforce in India. Economic reason emerges as the primary motive for migrating into Kolkata. The economic position of the SCs, STs, and OBCs are relatively weaker than the general castes and Hindus fair better than the Muslims in terms of share of employment in regular salaried jobs and earned household income. Male-headed households especially where the heads have higher levels of educational qualifications have better economic stronghold than the women-headed households. Household size and family type are also found to influence the occupational classification. Self-employment such as petty traders, hawkers, roadside food vendors, electricians and car mechanics are common wherein wage income is inadequate for sustaining a comfortable living in the metropolis. Social networking mechanism contributes in information dispersion, labour market entry, wage determination and work substitution in the informal sector employment. Paid domestic work absorbs a substantial chunk of women informal workers in the city and the efficient mechanism of social network ties is instrumental in strengthening of this burgeoning profession. Social, economic and other demographic background such as caste, religion, level of education, marital status and age and sex distribution has been found to influence the pattern of employment and nature of work. Slum households do better in access to higher paying jobs and overall standard of living than the commuter counterparts who have to negotiate long distance and



time to work which also somewhat counteracts the benefits ensued from work participation.

Other livelihood options for the city population residing in the slums is mainly contained in service sector and the rural-urban and smaller tier urban centre-metropolitan linkages is kept robust through not only migratory chains but also through daily commuting. The presence of an extensive wealth of social capital is manifested through strong, intricate and reciprocal networking relations which in-turn influence migratory and labour decisions in the informal economic realm in an urban ecosystem.

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## Corporate and Entrepreneurial Social Responsibility during COVID-19: Understanding Global Trends and Responses

Roopinder Oberoi\*, Jamie P. Halsall\*\* and Michael Snowden\*\*\*

*The COVID-19 pandemic and the consequent lockdowns were an unforeseen tremor to the global market, while raising heterogeneous and sundry reactions across businesses related to their workforces, supply chain, and the repurposing of procedures to make available required products and services. Businesses had little time to offset the pandemic's impact through well thought out corporate strategies. Consequently, the current crisis offers an exceptional opportunity to study the outcomes of corporate social responsibility (CSR) for society. The primary objective of this paper is to contribute to the literature regarding the advancement of corporate social responsibility, the connection between CSR philosophy and practice, and the application of socially responsible actions during the COVID-19 pandemic. By applying a corporate social responsibility (CSR) theoretical approach, the authors of this article attempt to comprehend corporate responses to the COVID-19 pandemic in the provision of assistance for vital stakeholders in mainstream society. The findings of this paper imply that corporations with years of CSR involvement acted as a catalyst for communities in local, national and global context.*

**Keywords:** Corporate Social Responsibility (CSR); COVID-19 Pandemic; Responsible Entrepreneurship, Corporate Responses; Socially Responsible Activities

### 1. Introduction

The comprehensive impact of the coronavirus (COVID-19) pandemic is mounting every day and its adverse bearing is apparent in the domains of health, financial, and societal. The COVID-19 pandemic is by far one of the momentous calamities in contemporary era (Alon, Farrell, & Li, 2020). The World Health Organization originally acknowledged COVID-19 as a global public health emergency in January 2020 and then raised it to an epidemic in the March 2020 (Cankurtaran and Beverland, 2020). "This is not mere global public health calamity; it is a disaster that touches all segments. So, we all need to join our efforts to fight it" Dr. Tedros Adhanom Ghebreyesus, Director-General of World Health Organization (WHO) (Ducharme, 2020). The COVID-19 pandemic has engendered a worldwide health, financial, and social crisis that necessitates the partnership and assurance of all agents, particularly those in the private sector, to face the externalities resulting

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from the pandemic. In these complex situations, the pledge that businesses have with the 2030 Agenda and the Sustainable Development Goals (SDGs) has triggered activities and strategies to enlarge their CSR approach to fight COVID-19.

Subsequently, the effect of COVID-19 was abrupt and caused noteworthy structural and operational vicissitudes in the economic domain. It is assessed that the impact of Covid-19 on the international economy and financial health of nations is anticipated to be unparalleled since the Great Depression of 1930s. Ghosh (2020) emphasized, “the COVID-19 pandemic caused enormous waves of the ambiguity shock, which can be equated to the level of uncertainty felt during the Great Depression”. Thus, possibly the Covid-19 pandemic characterizes one of the utmost shifts in the contemporary business history, which could theoretically have deep influence on how corporates plan, produce, market their products and services.

This paper provides an insight into the corporate social and economic strategies in response to the sweeping vagaries in the global environment triggered by the sudden global pandemic. This work builds on previous academic research by the authors (see for example: Halsall et al., 2021; Oberoi et al., 2021; Snowden et al., 2021; Oberoi et al, 2020; Oberoi et al, 2019). The paper is divided into three sections. Firstly, the authors critically explore the academic debates on private corporate institutions, their interlocking relationships, and their social responsibilities in a contemporary global world. Secondly, by applying case study examples from the COVID-19 pandemic, the authors provide relevant examples of corporate social responsibilities in institutions globally. Finally, the authors offer a summary of the key messages from this paper.

## **2. Corporate Social Responsibility**

The interim and long-standing worries surrounding states’ fiscal policies as an outcome of the COVID-19 are cause of huge concern to regulators, industries, and all financial entities on the whole. The circumstances in which the global community works have transformed fundamentally and may be forever (Jeris and Nath, 2020). Lim and Greenwood (2017) believe CSR is applied as a way of alleviating and strengthening the local communities where businesses function. The pandemic has aggravated some of the deep rooted social and economic problems, for example poverty and inequality become more intensified particularly in emerging countries. During the time of uncertainty, corporations focused their CSR activities on societies (social welfare), encouraging public health, giving medical aid and protective kits, monetary aid, serving public health specialists, especially in localities in which a corporate carried out its processes. Significant stress was placed on labour practices, for example paid sick leave, reverse migration to rural areas, employment lay-offs, or increased employment of workers in big commercial employers like Walmart, Home Depot and UPS. There was also emphasis on repurposing procedures and services to produce much

required products like personal protection equipment (PPE) kits, masks, gloves and ventilators etc. by firms such as Ford, General Motors and GE. “Sidestepping lay-offs, introducing flexible work timetables, and allowing paid sick leave makes the firm resilient during adversity as they are able to uphold high employee efficiency while justifying costs by avoiding employee churn” (Eccles, Ioannou and Serafeim 2014). According to Crane and Matten (2020), the pandemic has removed the cover from several prevailing CSR conventions and practices. Businesses differ in their impetus to participate in CSR and to address a variety of social, economic, or environmental issues. Businesses are at the crossroads of choices on how to act in terms of applied socially responsible inventiveness: to cut the budgets for the enactment of CSR or to fit in CSR actively into the fundamental of the corporate and accept socially responsible actions. Li et al. (2020) findings showed that businesses with sturdy corporate culture participate with local communities more and consequently are more resilient to the pandemic responses.

Some also believe that corporate ethos, social responsiveness, customer ethics, and up front marketing thinking may undergo a big paradigm shift. Certainly, this pandemic has put corporations under trial for its obligation to principled commercial behaviour and CSR. Indisputably, the present epidemic offers an extensive prospect to those with a more alert and insightful towards CSR. In this new situation, companies need to espouse their CSR approaches with the aim of create a corporate assurance to society at large and the vulnerable groups, especially those nearby to their establishment or factory in which corporations operate and have a larger presence. The balance of return and common well-being is becoming more acceptable approach in order to persist in the long term. This path necessitates partnership, assurance and accountable practices on the part of the diverse actors, that guide their activities for a common good of all the stakeholders and that alters the complications acknowledged in the achievement of sustainable development objectives.

The COVID-19 pandemic has created significant prospects for businesses to dynamically involve themselves with their CSR policies and schemas. Though, the pandemic also pushed many businesses out of operation and this unquestionably had an impact on the spread and scale of CSR. The significance of corporations’ energetic participation in CSR actions can fluctuate, particularly in times of calamity. To assuage the devastating impact of COVID-19 pandemic’s it involves private actors’ assurance. Such help has been particularly applicable in countries like India. For instance, various corporations have exhibited their pledge to humanity by cooperating with the third sector and NGOs to recover from the dire health conditions and living situations of the most vulnerable groups in society like the poor, migrants, old and homeless, while they launched financial helps aimed at helping financial activities. Furthermore, several NGOs, Self Help Groups and corporates have assisted to solve the difficulties in the logistics of health apparatus linked to masks, medicines, gloves, glasses, ambulances, protective overalls,

oxygen, and respirators, which was somewhat mitigated by the responsible participation of businesses, who have played an incontestable significant part with vital contributions of these supplies and monetary funds for research, for example by provisionally lending capital goods for free, together with air crafts for the conveyance of healthcare resources and spaces for the site of patients and healthcare amenities, among many other activities. Therefore, the fluctuations that have happened in society have had a deep consequence on CSR to the degree that businesses have encouraged more honest and dependable procedures that contribute to addressing the crucial global problems. Critical decisions were taken by some corporates that according to the theory of the common good, emphasis on the social dimension and are intended at improving the living conditions of people, helping the hygienic resources and economic well-being of all the people. All in all, at present, in addition to generating value for share owners and investors, corporations have to pledge that they perform consistently towards the environment and society, encouraging CSR policies that assure sustainable performance.

The genesis of corporate social responsibility can be traced back to the work of Andrew Carnegie (1835–1919), the creator of US Steel who expounded dual principles, i.e., the code of charity and the stewardship principle, which he supposed were essential for capitalism to function smoothly. This principle was interrelated to care for the jobless, the old and the sick ones. The second principle established that entrepreneurs had to act as custodians of their capital for the welfare of larger humanity (Chakraborty, 2015). Bowen defined corporate social responsibility as the pledge of entrepreneurs to implement approaches and choices that are anticipated and appreciated by the social order (Bowen, 2013). From an academic standpoint, while several research studies have affirmed that the tremors and disruption of the COVID-19 pandemic did orientate CSR policies to more genuine and long term action plans, global empirical outcomes confirm that most of the companies make choices according to equilibrium theory and stakeholder priorities. Consequently, in this context focus on: (a) only on a precise interest cluster, shareholders, with a short-term influence so as to secure the steadiness of the corporation; or (b) evolving practices that follow common organisational well-being but offer a robust alignment towards an assemblage of stakeholders, mainly the clienteles and work forces of the businesses. Still, some businesses have encouraged altruistic activities that contribute to addressing the pressing difficulties, helping the sanitary settings and financial security of the citizens. Small and medium industries and big global corporations for example Wipro, Apple, IBM, Google, Vodaphone, Microsoft, Infosys and the TATA Group responded sympathetically to the challenges of the COVID-19 pandemic and the requirements of stakeholders in the altering social milieu. They are infrequent in number but their contributions are immensely valued globally. In India, corporations were allowed to utilize their CSR funds to respond to the medical emergencies associated with the COVID-19 pandemic. This included constructing emergency Covid-19 care centres, increased production



of medical oxygen and storage plants, manufacture of oxygen concentrators, supply of ventilators, cylinders and other medical equipment, enabling a positive government response to the unprecedented demand presented during the COVID-19 crisis. The current disruption has pushed global and business leaders to take on the role of guardian in the COVID-19 frontline, specifically being by being empathetic and receptive to the safety and welfare of staff, maintaining safe and efficient core business operations and maintaining dynamism in order to respond effectively and positively to the to these sudden and rapid challenges presented by COVID-19. In total, CSR strategies proved to be a beneficial and effective tool to tackle the worldwide difficulties caused by the pandemic, mitigating the social externalities consequential from COVID-19.

### **3. Institutional Responses**

Social and political scientists have been fascinated by the relationship between institutions and society for a long time (Halsall and Powell, 2016; Hodgson, 2006; North, 1991). Institutions at a public sector level are perceived as a support mechanism for people in society, whereas institutions at a private sector level are recognised as an economic generator to a country's economy. During the recent global health crisis, institutions from different sectors have played a vital role in supporting citizens; whether public, private or the third sector, these institutions have provided support and solutions to COVID-19. At the centre of this institutional framework are global organizations such as the World Health Organization (WHO) or the United Nations. Both of these global organizations have acted as advisors, communicating and responding to the global health crisis. The advice is directed towards governments across the world, charities, non-government organizations, social enterprises, the private sector and other public bodies. Throughout the pandemic, there has been a distinct focus on public institutional support and its positive impact on health and social care. More recently, the World Bank (2021) has noted that COVID-19 has developed a more receptive institutional support process and is much more energetic in handling risk management within the emergent situation characterised by COVID-19.

In many ways, the pandemic has also exposed the way governments responded to the global health crisis. Current academic research has been somewhat critical of government approaches. For example, Jones and Hameiri (2021) believe that there have been immense failures in global and nation governance; in particular, they state that "Britain's pandemic management system performed disastrously" (2021, p.15) and that there is a demand "for urgent reconsideration of neoliberal models of political economy and governance" (2021, p. 21). Similarly, Barneveld et al. (2020) have pointed out that the global health crisis has established "the failures/dangers of neoliberalism and rising global inequality" (2021, p. 148) and a change of direction to a hard neoliberal ideological approach is necessary.



Health and social care is one aspect of the COVID-19 response. Another political issue that was brought into focus for governments across the world was the question of economic support given to individuals in society who could not attend their work place due to a country's lockdown. As has been well documented, lockdowns have had a profound effect on different economic sectors at national and global levels. For example, a UK House of Commons briefing paper that was published in June 2021 noted that the GDP was weakened by 9.8% in 2020, which is the sharpest decline in more than three hundred years (Harari and Keep, 2021, p. 3).

### Box 1: UK Government Measures

- **“Supply chain disruption** – the globalized and complex nature of some businesses’ supply chains meant some found it difficult to source the parts (car makers, for example), or inventories (retailers, for example) they needed. For instance, all major UK and European car plants were closed in late March and early April 2020.”
- **Workers being off sick** – many workers have taken time off work due to COVID-19. This may have limited the amount of work businesses were able to conduct.
- **Closing schools** – the enforced closure of schools for most pupils during the summer term in 2020 and in early 2021 meant many parents had additional childcare responsibilities. As a result, many may not have been able to work as much or as productively as normal.
- **Shutting down businesses** – unprecedented measures to close businesses entirely, either by government direction (lockdowns) or by their own initiative.”

Source: Adapted from Harari and Keep, 2021, pp. 6-7.

China was one of the first countries to experience the economic impact of the COVID-19 outbreak. This in turn shocked other countries’ economies across the world as they were reliant on China’s goods and services (e.g. automobiles, clothes, mobile phones). For the UK, special, strict lockdown laws were put in place to stop the virus spreading through the diverse population. Box 1 presents an overview of UK government measures that were put in place. As a consequence of these strict measures, certain economic sectors could not remain open, e.g. retail, leisure, and tourism, etc. Hence, the UK government had to take drastic action to prop up the UK economy. The economic sectors that could not function could apply for the Coronavirus Job Retention Scheme. The scheme known as ‘furloughing’ enabled employers to seek economic support from the UK government (CIPD, 2021).

This reflects the United Kingdom’s Prime Minister Boris Johnson’s clear message throughout the COVID-19 pandemic “everyone who can work from home must do so...if you cannot work from home, plan your journey to avoid crowds” (Gov.

UK 2021a). However, not all can work from home, there are essential occupations needed to maintain the economy and public services, these were classed as “key workers.” These included, for example: All NHS, social care and essential and frontline public service staff, public safety and national security staff. Whilst, this “pandemic” workforce was largely drawn from the public and statutory sector, it did include those personnel involved in the production and distribution of food, drink and essential goods. Key workers were all required, unless they have specific health needs that put them at greater risk of contracting COVID-19, to work normally within newly formed Covid health and safety regulations applied to the work place.

The role that key workers have played in the mitigation of the pandemic is well recognized. Her Majesty, The Queen; The UK’s Prime Minister, and Leader of the Opposition have expressed their sincere gratitude throughout the pandemic on various media platforms. Events such as a weekly national “clap for Key workers” and the widespread use of the rainbow symbol have become beacons of thanks to key workers, along with more practical measures such as free food deliveries, transport, parking, priority access at supermarkets and car service garages. Whilst all these alleviated the burden of working during the pandemic to some degree, the impact of working in the highly charged environment generated by COVID-19 is yet to be fully understood.

Individual, family and community outcomes associated with the COVID-19 pandemic have been influenced greatly by existing social, economic and health inequalities and subsequently the impact of COVID-19 has reflected these inequalities. Data explored by Topriceanu, et al (2021) suggest that key worker status is associated with both negative (greater risk of COVID-19 infection and increased conflict with people) and positive outcomes such as greater financial stability. Surprisingly, their study suggested that psychological distress was not attributed to working within the pandemic which contradicts the numerous media reports of psychological stress experienced by key workers and the assertions of Burton et al (2021) Gasteiger et al (2021) Robbillard et al (2021). Increased levels of stress, anxiety, depression, sleeplessness, physical and mental exhaustion were all identified by key workers as major determinants of health status during the COVID-19 pandemic, (Burton et al 2021; Gasteiger et al, 2021 and Robbillard et al, 2021, You Gov 2021a).

Whilst financial stability, is a largely positive outcome of key worker status, there are some disparities. In a recent YouGov (2021b) survey 18% of critical key workers for example NHS and Social Care staff lose income if they have to shield, furthermore 47% of key workers in sectors such as delivery, transport and food report that they would miss out on income if they were to self-isolate. Typically, these are the lower paid groups in society. Other occupational groups also would see income reduced, for example, 13% of teachers and education workers would lose income if self-isolating. Whilst Prison, police officer security and defense workers are largely guaranteed income, 5% report that their income would be adversely affected if self-isolating.

Whilst, key worker status can be viewed advantageously, for example priority access to testing and vaccination, gratitude of the nation's public, and the perceived financial security of working in the public, statutory or priority service sector these are mitigated against the social, health and economic risk of working within a COVID-19 environment.

For those who are not key workers, the Coronavirus Job Retention Scheme provides a financial safety net for many non-key workers employed largely in the private sector. Since the pandemic began, as of 14<sup>th</sup> June 2021, the scheme has supported 11.6 million jobs since its inception, (Gov.UK 2021b). However, this to, illustrates inequalities. A recent report issued by the Center for Cities, (2021) illustrates the geographical disparities in the uptake of the scheme, with places whose economy is most reliant on airports and tourism hardest hit. For example, Crawley, the home for Gatwick airport in the UK was (pre-pandemic) viewed as one of the most economically successful cities in the UK. It was the 19<sup>th</sup> most productive urban area in the UK and had the 9<sup>th</sup> highest workplace earnings, while being among the places with the lowest share of people unemployed. However, the city now is the place most reliant on furlough, with almost double the rate of Barnsley a socially and economically deprived town in South Yorkshire, UK least reliant on it. Other places currently heavily reliant on the scheme include coastal towns such as Blackpool and Brighton, airport towns like Luton and tourism hotspots such as London, York and Edinburgh.

Examining the employment patterns of those workers enrolled on the furlough scheme, retail and hospitality are the two most groups of workers claiming furlough. At the height of the lockdown restrictions, 42% of all furlough claims in urban Britain were in these sectors and at the height of the pandemic (Feb 2021) more than 50% of those furloughed in tourism's hot spots such as York and Blackpool fell within this category.

The Office for National Statistics (ONS, 2021a) reports that the proportion of people working from home in 2020 increased by 25.9%, more than double the previous year's total of 12.4%. However, reviewing the data from ONS (2021a) it is clear that some worker groups are more likely to work from home than others. For example, the data illustrates that 46% of people working in the UK's capital London said they worked at home at some point in 2020 whereas in rural Scotland, the North West town of Burnley and the north eastern city of Middle borough reported less than 14%.

The current report of the ONS (2021b) suggest that some of the labour market indicators are returning to pre-pandemic levels and since April 2021 with the gradual lifting of COVID-19 restriction in the UK employment has been increasing and is likely to continue to increase until the Coronavirus Job Retention scheme ends in September 2021. At this point, the UK government maintains that the impact of the pandemic on employment will be negligible. However, it is imperative to

note, that the pandemic has not had a uniform impact on employment. Increased numbers of young and older workers have more probably left employment, and also are most likely to have become economically unemployed (Powell and Frances Devine 2021). Whilst the overall amount of people requesting unemployment connected benefits fell by 13,000 in the month of May 2021 it persists at 1.4 million higher than in March 2020 (ONS, 2021b).

Self-employed workers have also been severely affected by COVID-19. Whilst four consecutive grants have been offered to the self-employed, through the Government's Self-Employment Income Support Scheme the final grant was offered in May 2021 and at that point 1.7 million claims had been made. Those operating high-margin businesses and those were digitally based or were able to adapt and utilizes digital platforms have fared better than those who were unable to do so. This, consequently intensified inequalities.

COVID-19 has had a major and unprecedented impact on society, community, families and individuals. Organizations, have responded creatively and innovatively, with unprecedented support by government. Whilst the private sector has had clear and targeted support from government, there has been a distinct lack of cognizance in the strategic support of the statutory and public services. There are endemic pervasive inequalities, the COVID-19 pandemic has exaggerated these.

#### **4. Conclusion**

In this paper the authors analysed the trends and emerging discourse and responses of corporations in the face of the biggest human, health, and economic disaster inflicted on humanity in this century'. More precisely, the core concerns were the recognition of CSR activities, their aims, purposes, and profitability. These actions are mostly moral and altruistic in nature, aimed at solving the medical problems that the health sector was confronted with due to COVID-19, in addition to assuaging the financial and social problems that affected small and micro firms, people, and families.

The preliminary study indicates that the transformation that the pandemic brought upon society will translate into the commercial ecosphere, making businesses that are concerned with the common good, and evolving practices to be more aligned with engrained social difficulties, such as, for example, poverty and disparity, which the pandemic has aggravated. From a practical standpoint, executives must recognize that the pandemic will increase society's expectations of businesses, and their choices must place emphasis on investment in CSR activities that allow the accomplishment, both reciprocally and interdependently, of economic, environmental, and social objectives. Moreover, corporation strategies that are put in place will ensure the long-standing sustainability of these companies by matching profitability and keeping stakeholders happy. As the authors acknowledge in this

paper, CSR strategy can be a valuable and successful tool in addressing global problems, be they a global health pandemic or an environmental disaster. Hence, in any organization (private, public or third sectors), corporate governance mechanisms are crucial to ethical practices and quality assurance managers as they can promote/monitor the CSR strategy.

Finally, in this paper the authors have discovered that the COVID-19 global health crisis has most definitely fast-tracked the post-pandemic CSR expansion most definitely, as progressively more companies and industries comprehend that their enduring persistence and progress hinges on accomplishing a subtle equilibrium between cost-effectiveness and synchronization with its many stakeholders' interests. Perhaps the more pertinent and demanding inquiry is not about whether or not to participate in CSR, but how to capitalize on CSR to attain the reciprocally advantageous and symbiotic social/environmental and economic goals. The pandemic is teaching customers that we are interrelated in terms of the effect of our produce/brand choices; consequently, we should be cognizant of those selections.

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## **Missing Women from Labour Force in the Indian Labour Market : Possible Explanation and Road Ahead**

**Minaketan Behera\***

*Female labour force participation is regarded as a driver of economic development and prosperity. Women's inclusion in the labour force and access to decent jobs are critical components of an equitable and sustainable development process. Female labour force participation rates in India indicate that women are underrepresented in the workforce compared to men. There is a fall in female labour force participation despite the country's impressive economic growth over the years. The primary goal of this paper is to gain a better understanding of female employment patterns in the Indian labour market. It elucidates the reasons for women's declining participation in the Indian labour market. The analysis is based on secondary data, including various rounds of data from the National Sample Survey Organization (NSSO) and other published papers. The findings reveal that mainly education, income, cultural factors and employment opportunities play a significant role in driving women into and outside the labour market. The paper argues that focused policy interventions encompassing appropriate skill training, boosting educational outcomes and creating attractive work opportunities is critical to capitalize the potential of women's work.*

**Keywords:** *Employment, Labour Force Participation Rate, Time Allocation, Unpaid Work*

### **1. Introduction**

The female labour force participation rate can be defined as the percentage of working-age women in the population who are employed or are actively seeking employment (PLFS, 2018-19). Greater economic participation of women leads to higher economic growth. The IMF and the World Bank (2007) argue that "gender equality and the empowerment of women are central to the development agenda because gender equality makes good economic sense and helps advance other development objectives, including education, nutrition, and reduced child mortality". Systematic exclusion of the most prominent group of our society (i.e., women) results in the emergence of various social-economic problems in general and labour market insecurities in particular. Female labour force participation in India has experienced significant decline during the last two decades. India has dropped four spots on the Global Gender Gap Index 2020, released by World Economic Forum from 108 to 112 (World Economic Forum, 2020). The World Employment and Social Outlook of the International Labour Organization, 2020

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has reported a 27 percentage point gender gap in labour market participation world wide, and South Asia recorded a gap of more than 50 percentage points (ILO, 2020). The persistence of patriarchy and the dominant culture force women not to participate in paid economic activities. However, women have been playing a very crucial role but only as unpaid domestic workers.

Women encounter numerous barriers to employment, including access to employment, job preference, working conditions, job security, discrimination, pay fairness, and juggling family obligations. Additionally, the informal economy is dominated by women. In fact, Gareth Wall (2009) notes, “If women are hired at all in the modern sector, it is usually for unskilled, low wage jobs. Boserup (1970) points out that the growing globalization, liberty through liberalization and the economic development in contemporary capitalism has not necessarily benefited women and men equally. The inclusion of women as a paid worker in economic development created inequality in their social life as working women are having a double burden of productive and reproductive work and face wage discrimination at the workplace. Feminization of labour helps uplift the socio-economic status of women but is not effective in changing the mentality of society so far. Low female labour force participation rate is the very obvious outcome of it.

It is assumed that feminization of labour has shifted the mentality of society from “muscaline” towards more “feminine”, but the analysis of nationally representative labour data presents a different picture. In recent years, job stagnation and rising unemployment in India, exacerbated by the COVID-19 pandemic, could aggravate the situation. According to Bansari Kamdar (2020) “Despite a rising GDP and increasing gender parity in terms of falling fertility rates and higher educational attainment among Indian women, India’s female labour force participation continues to fall. India’s job stagnation and increasing unemployment in the past few years – a problem that is aggravated by the COVID-19 pandemic – could further worsen this situation”. With this background, this paper aims to discuss the trends in female labour force participation in the Indian labour market, explaining the reasons for women’s falling participation and suggesting policy measures for improving the female participation in employment.

The paper is based on secondary sources of information. The paper uses data from the NSSO’s Employment and Unemployment Surveys, the Periodic Labour Force Surveys (PLFS) 2017-18 and 2018-19, and the Indian Census. The data has been used to map trends and patterns of female labour force participation, sectoral changes in women’s jobs, and evaluate the quality of women’s employment.

## 2. Result and Discussions

### *Female Labour Force Participation in South Asia*

Female labour force participation rate (LFPR) is an important aspect of gender equality in the labour market as a higher female LFPR is generally associated with greater gender equality and vice versa. Female LFPR indirectly plays a big role in achieving labour market equality in terms of gender by acting as a key means to achieve human development goals, including eradicating poverty, increasing production and gross output, reducing infertility, reducing infant mortality and child labour, increasing female decision making and bargaining power in and outside the home.

Women's labour force participation differs significantly across countries because of variations in economic growth, social customs, educational qualification, fertility rates, and child care facilities and other supportive services. The patterns in the female labour force participation rate in South Asia reveals disturbing trends. Every South Asian country, except Nepal, has low female labour force participation (Table 1). These variations are driven by various economic and social factors, such as economic growth, educational attainments, fertility rates and social standards.

**Table 1**  
**Female Labour Force Participation in South Asia**

Country	FLFPR ( %)
Nepal	81.52
Bhutan	59.46
Maldives	41.61
Bangladesh	36.37
Sri Lanka	33.55
Afghanistan	21.76
Pakistan	21.67
India	20.79

*Source:* International Labour Organization, ILOSTAT database, 2021.

### *Female Labour Force Participation in India*

The female labour force participation rates (FLFPR) in India is one of the lowest in the world. Low FLFPRs jeopardize a country's growth and prosperity. Table 2 depicts the pattern of FLFPR in India. India is ranked 120<sup>th</sup> among 130 countries, thereby highlighting India's low position in terms of female LFPR.

**Table 2**  
**Pattern of Female Labour Force Participation in India**

Year	FLFPR ( %)
1990	30.27
1995	30.61
2000	30.41
2005	31.79
2010	25.85
2015	21.79
2016	21.41
2017	21.05
2018	20.71
2019	20.79

Source: International Labour Organization, ILOSTAT database, 2021.

### *Rural-Urban Trends in India*

The Periodic Labour Force Survey (PLFS) estimates for 2018-19 indicate a slight increase in overall labour force participation rates, especially for rural women (up from 18.2 per cent in 2017-18 to 19.7 per cent in 2018-19). Female labour force participation rates in cities have increased slightly over the same period, from 15.9 to 16.1 per cent. (Table 3).

**Table 3**  
**Labour Force Participation Rates (LFPR)-All Ages**

	Rural			Urban		
	Male	Female	Person	Male	Female	Person
2018-19	55.1	19.7	37.7	56.7	16.1	36.9
2017-18	54.9	18.2	37	57	15.9	36.8

Source: PLFS, 2017-18 and 2018-19.

The female labour force participation rate has always been relatively low in India, and it has further declined in recent years. In 1993-94, female LFPR was around 42.7 per cent and it remained at the same level during 2004-05. After 2005, the decline has been much steeper. By 2011-12, it decreased further to 22.5 per cent as per the Employment-Unemployment Survey conducted by the

NSSO. The same survey shows that female LFPR was higher in rural areas (25.3 per cent) than urban areas (15.5 per cent). Between 2003-04 and 2010-11, India's GDP grew at an average rate of 8.4 per cent per year, but women's labour force participation continued to decline. Rural areas have seen the greatest decline in female labour force participation, which dropped from 49 per cent in 2004-05 to 36 per cent in 2011-12 and then to 24.6 per cent in 2017-18 (Table 4).

**Table 4**  
**Trends in Female Labour Force Participation Rate (FLFPR)**

Year	Rural		Urban	
	Male	Female	Male	Female
1993-1994	87.6	49.1	80.1	23.8
1999-2000	84.5	36.4	78.2	18.0
2004-2005	86.4	49.7	79.6	24.6
2009-2010	82.5	37.8	76.2	19.4
2011-2012	81.3	35.8	76.4	20.5
2017-2018	76.4	24.6	74.5	20.4
2018-2019	76.4	26.4	73.7	20.4

Source: NSS EUS; PLFS 2018-19.

While the LFPR decreased between 2011-12 and 2017-18 by 8 percentage points to 16.4 per cent for women aged 15-29, the LFPR declined by at least seven percentage points between 30-50 per age groups. The declining rate was more pronounced for women aged 35 to 39. (LFPR for this age group women fell 9 % points to 33.5 per cent). More than two out of every three women who are in the peak working ages of 30-50 who are not in the workforce are claiming of "exclusively doing household chores only."

In terms of social groups, the PLFS indicators report that labour participation was the highest for ST (41.8 per cent), followed by SC (37.6 per cent) and OBC (36.2 per cent). Participation among the 'other' was lowest (35.9 per cent) (Table 5). The labour force participation in urban areas among women has been the highest for SC (19.2 per cent) and the lowest among 'other' (14.2 per cent). These figures emphasise the relationship between the socio-economic status of women and (or the lack of) their workforce participation: more women are withdrawn from the labour force as their deprivation decreases.



**Table 5**  
**Labour Force Participation among Social Groups (in %)**

	PLFS 2017-18	PLFS 2018-19
ST	41.8	42.5
SC	37.6	37.9
OBC	36.2	37.0
Others	35.9	36.3
ALL	36.9	37.5

Source: PLFS 2017-18 & 2018-19.

Male participation rates in the workforce are unaffected by caste and religion. On the other hand, participation in the labour force is considerably lower for Muslim women and forward caste Hindu women, which indicates that social traditions and religious conservatism influence the work status of women (Table 6).

**Table 6**  
**Labour Force Participation among Religious Groups (in %)**

Major Religious groups	Rural			Urban			Rural + Urban
	Male	Female	Person	Male	Female	Person	Person
Hinduism	55.4	20.5	38.3	57.4	17.1	37.9	38.2
Islam	52.4	11.0	32.0	54.1	10.4	32.9	32.3
Christianity	57.1	27.6	42.0	55.0	23.8	38.5	40.7
Sikhism	56.9	15.4	36.9	57.0	14.1	36.3	36.7
All	55.1	19.7	37.7	56.7	16.1	36.9	37.5

Source: PLFS, 2018-19.

The Periodic Labour Force Survey for 2017-18 revealed that the rural women's work participation rates (WPR) fell by 7 per cent, from 24.8 per cent to 17.5 per cent. This represents a decline of nearly 25 million rural women workers since 2011-12, and if 2004-05 is used as the benchmark year, the drop is just over 47 million. In 2011-12 and 2017-18, around ten-percentage-point decrease in WPR of women from Scheduled Castes and Scheduled Tribes is noted.

### *Occupational Diversification of Women Workers*

A significant segment of Indian rural working women (73 per cent) are still involved in agriculture and allied activities. However, since 2004-2005, rural non-farm employment has risen significantly; the largest growth in non-farm jobs has occurred in the construction sector; in 2004-2005, the share of rural jobs grew, from 1.4 per cent to 6.6 per cent in 2011-12, but decreased to 5.3 per cent in 2017-2018 due to a decline in the real estate sector. The construction sector appears to absorb the majority of rural women's labour force in India and shows maximum growth in women's jobs in 2017-2018 (Table 7).

**Table 7**  
**Industrial Distribution of Women Workers across Location (%),**  
**usual status, all ages**

	<b>EUS 68th (2011-12)</b>		<b>PLFS (2017-18)</b>	
	Rural	Urban	Rural	Urban
Agriculture	74.9	10.9	73.2	9.1
Mining & quarrying	0.3	0.3	0.2	0.2
Manufacturing	9.8	28.7	8.1	25.2
Electricity, water, etc.	0.1	1.0	0.0	0.6
Construction	6.6	4.0	5.3	4.1
Trade, hotel & restaurant	3.0	12.8	4.0	13.0
Transport, storage & communications	0.2	2.7	0.3	3.3
Other services	5.2	39.6	8.9	44.4
Total	100.0	100.0	100.0	100.0

Source: PLFS Annual Report, MoSPI, GoI, 2019.

For rural women, self-employment (58 per cent) is the most common choice, followed by casual labour (32 per cent) and regular salaried work (10.5 per cent) (Table 8). The features of rural self-employed women workers are important to note since the majority of them (39 per cent) serve as supporting family workers/unpaid helpers in family businesses, compared to just 10 per cent of men (both in rural and urban areas). These unpaid family women workers contribute to the economy without getting any remuneration or salaries. They are more likely to lack decent working conditions, proper social security, and formal work structures.

**Table 8**  
**Percentage Distribution of Workers by status in Employment, usual status, all ages, 2017-18**

Category	Rural		Urban	
	Men	Women	Men	Women
Own-account worker and employer	48.0	19.0	34.9	23.7
Helper in household enterprise	9.8	38.7	4.3	11.0
All self-employed	57.8	57.7	39.2	34.7
Regular wage salaried	14.0	10.5	45.7	52.1
Casual labour	28.2	31.8	15.1	13.2
Total	100.0	100.0	100.0	100.0

Source: PLFS, 2017-18.

### *Job Contract and Social Security Benefit of Women Workers*

As per the Periodic Labour Force Survey (PLFS, 2018-19), only 40.6 per cent of regular wage salaried (RWS) employees (who account for only 9.6 per cent of the total workforce) have the facility of at least one form of social security benefit (provident fund/pension, gratuity, health insurance, and maternity benefits), implying a bare minimum level of social safety. Only 17.7 per cent of RWS employees had access to all available forms of social security. The proportion of RWS employees who had written employment contracts for more than three years, showing some guarantee of job retention during a time of crisis, has gradually declined from 34.3 per cent in 2004-05 to 28.2 per cent in 2011-12 to 21.1 per cent (in 2018-19). This indicates that even work in the RWS is being increasingly characterised by lack of job security. There was a decrease of 2.6 percentage points in case of women with written jobs contracts between 2011-2012 and 2018-19, and 74.3% of women in 2018-2019 had no written job contract. A critical analysis of the essence of contracts shows that only 17 per cent of women had a three-year job contract. Owing to the temporary nature of their employment, a considerable portion of employees are employed as casual workers, making the issue of job contracts very difficult. What's more shocking is that only 33 per cent of regular waged women employees had a job contract in 2018-19, declining from 35.8 per cent in 2011-12. Since 2011-12, it is revealed that there is a rise in the percentage of daily wage/salaried women who do not have a written job contract. In 2017-18, more than 70 per cent of urban women did not have a written job contract, making the situation much more concerning. Furthermore, in 2017-18, half of the non-agricultural regular salaried workers (55 per cent of rural women and 50 per cent of urban women) did not have any social security benefits. This raises questions about the quality of regular work being generated.

### 3. Factors Underlying the Low FLFPR in India

Several factors hinder the participation of females in the labour force. These include: higher education levels, increased household income, mechanization of agriculture, and a decline in demand for labour-intensive products and household-level animal farming. Measurement issues alongside gender-based discrimination, occupational segregation and wage differentiation, also curtail participation. However, one of the persistent factors is the disproportionate burden of domestic responsibilities and care work borne by women. Traditional ideas in the societies such as the male being the breadwinner and women being the caregiver deter women's entry into work. In India, social norms play a big role in participation because staying at home is also seen to raise a family's social status (Lahoti and Subramanian, 2013).

In the empirical domain, the women's labour force participation is believed to follow a U pattern (Goldin, 1994). The U shaped hypothesis traces the relationship between female labour force participation and national income along a U-shaped curve. Justifying the secular drop in the Indian case, this analysis is based on the fact that India lies in the middle-income category (Abraham, 2013). This implies that as women move out from agriculture due to the structural transformation, the FLFPR falls and catches up later when they acquire education at the advanced stages of development. This means that the work participation for women with primary and secondary education decreases dramatically and only increases with a college education. Furthermore, the lack of white-coloured jobs, and reduced employment stability diminish the employment prospects for women in India.

Education can explain a part of the decline in the female labour force participation rate after 2005. At the primary level, the net enrolment rate reached 97 per cent, and the upper primary level gross enrolment rate climbed upto 84 per cent. Though the NER and GER portray an ambiguous picture, the data shows that the rise has been significant in girls enrollment. The increase of girls in the age cohort of 15 to 24 has been almost 23 percentage. In the age cohort of 24-29, the increase was just 0.7 per cent. The absence of other household members (due to greater nuclearisation of families) for help in childcare and other domestic duties further constrained women's participation (Mehrotra and Sinha, 2017).

One of the significant factors related to FLFPR is that women spend time on unpaid economic activity in the home and the community. Women often sacrifice their income, their careers and their opportunities in education to fulfil family commitments. Table 9 shows the rate of participation and average time spent in unpaid domestic work in the household. The time spent on unpaid work, especially unpaid care and homework, has therefore prevented women from taking part in the labour force.

**Table 9**  
**Participation in Unpaid Domestic Work for Household Members**  
**(ages 6 and above)**

Participation rate		
	Female	Male
Rural	82.1%	27.7%
Urban	79.2%	22.6%
Average time spent per participant		
	Female	Male
Rural	301 minutes	98 minutes
Urban	293 minutes	94 minutes

*Source:* Time Use Survey 2019, National Statistical Office (2020, p. iv).

Mechanisation in agriculture is an important factor that has led to a decrease in FLFPR as women are supposed to engage majorly in manual work. Men have replaced women in farming as seed drillers, harvesters, threshers, and husking devices have increased. The work of women has phased out in textiles, power looms, and button stitching and textile machinery. According to a McKinsey Global Institute survey, almost 12 million Indian women could lose their jobs by 2030 due to automation.

The need for a “second income” has fallen due to household income growth, especially over the last three decades. Families have therefore taken women out of work as a symbol of prosperity. The post-2005 fall in female employment has also been explained through the rise in household incomes. It is argued that the huge increase in women employment in the first half of the 21<sup>st</sup> century was driven by the low agricultural growth of less than 2 per cent p.a. (Mehrotra and Sinha, 2017). Post-2005, these women moved out of agriculture due to a fall in poverty levels. This movement is used as an explanation for the significant decline in the FLFPR during this period. This is substantiated further because the urban female LFPR is significantly lower than the rural, thus reflecting the higher income and lower poverty level in the former compared to the latter areas. Naidu (2016) argues that if a rise in household income was a strong enough explanation for declining FLFPR, then the male wages in rural areas must have seen a sharp increase. This, however, was not the case. In fact, the female wages increase was higher than the male wage increase.

Composition of growth has also been found as a determinant of the type of female employment in India (Lahoti and Swaminathan, 2013). Informal piece rated work or home-based work lack social security, job security, decent wages and work conditions and limited bargaining power. These tend to fit in comfortably with the ‘docile’ female roles in society. In the times of jobless growth, male workers replace female workers in the informal sector occupations, earlier the

refuge of female workers. Females in rural areas are able to gain employment in agriculture only in the absence of male workers in the sector, which happens when they seek better paid non-farm jobs. Defeminisation of certain sectors results from the employment squeeze compelling male workers to take on less desirable jobs, displacing women workers.

Women carry out a number of activities, from maintenance of kitchen garden and household poultry to the preparation of cow-dung cakes for fuel and getting water. Most women contribute to the economy in one way or another, but the vast majority of their activities are unrecognised or unaccounted. This difficulty in measuring a large part of the 'missing women' is also recognized by Hirway (2012) and Mazumdar (2011). Women's role in reproduction and maintenance of the household (caring for the young and old, cooking etc.) are also left unrecognized in the System of National Accounts. The invisibility of their economic contribution due to the absence of a clear dividing line between the work for occupation and work for home is a highly overlooked aspect. Therefore, mismeasurement may affect not only the level but also the trend in the participation rate.

It has been observed that a variety of other factors like high informality at work, lack of support for women entrepreneurs, poor skill training, lack of sanitation, sexual harassment at workplace, unsafe travelling, poor childcare facilities and care homes for the elderly has also prevented women entering the labour market.

#### **4. The Way Forward**

- Educating women and making sure that girls complete class 12 with proper attendance. This will result in an educated female workforce and better paid jobs and more inclination towards the formal sector jobs, ensuring safety and security.
- Reducing women's unpaid work so that they can utilise free time to engage in productive work. Such reduction in unpaid work can be facilitated through government initiatives which ensure waste collection, water supply, transportation and electricity provisions to every households, both in urban as well as rural areas.
- Massive investments in health and education, especially at the decentralized level can be catalyst to promote women's employment.
- There should be minimum safety standards and safe working environment prescribed across all sectors to ensure that women do not have to survive on the brink of marginal jobs in the informal sector.
- Easy credit facility and policies encouraging women to be self-employed and take up small business with minimal investment.



- Social security benefits, especially for women workers, should be introduced to protect them from the various vulnerabilities associated with informal sector.
- Local institutions should set up more crèches in towns and cities with state governments' assistance to enable women with children to work.
- Policy makers in India should take a holistic approach to improve labour market outcomes for women by enhancing access to and relevance of training programmes, creation of skills, access to child care, maternity protection, and secure and affordable transportation, and promoting a pattern of growth that will create employment.

It is well acknowledged that an increase in the labour force participation of women can stimulate higher economic growth. The closing of gender gaps in labour force participation rate is also very significant as the 2030 Agenda for Sustainable Development reaffirms the universal consensus on the crucial role of gender equality and its contribution for the achievement of SDGs. The goal should not be to increase the labour force participation for women at any cost, but to scale up the opportunities for women and increase their freedom to choose work outside their homes and access productive jobs.

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## Employment and Informality in the Indian Labour Market: Emerging Trends

Balakrushna Padhi\* and T. Triveni\*\*

*This paper analyses the changing structure of employment and informality in India during 2004-05 to 2018-19 using the unit level data of the Periodic Labour Force Surveys (PLFS) and the Employment and Unemployment Surveys (EUS). The study observes a decline in overall employment growth during 2011-12 to 2017-18 and a moderate increment during 2017-18 to 2018-19. While there is acceleration in the formal sector jobs over this period, the increase is largely emanating from a growth in the informal workers within the formal sector. Further, there is growing informalisation within the formal regular employment too. The regional level analysis indicates varying extent of informality across the states in terms of the degree of socio-economic development. The emerging trends in employment and rising informalisation calls for policy interventions in terms of providing remunerative and decent work along with a technology-enabled social security system that can facilitate the formalisation of labour markets.*

**Keywords:** Employment, Informality, Decent Work, Employment Structure, Formalisation

### 1. Introduction

The Indian economy has witnessed a transformational change in its economic structure (employment, growth, etc.) since the 1990s<sup>1</sup>. Alongside this transitioning structure, the unconventional nature of economic growth has received considerable analytical attention (Mitra 2013; Nagaraj 2008). In particular, the Indian growth performance is characterized by a dominant service sector, unpredictable agricultural output, and jobless growth and informalization of employment in the organized sector (Mehrotra et al., 2012; Mehrotra and Parida, 2019; Padhi and Panda, 2020; Kannan and Raveendran, 2019). An examination of the trends in employment suggests that the employment setback of the 1990s is followed by a revival during 2004-05 that reached near-stagnation during 2011-12 along with the growing casualization, informalization, etc. of the workforce (Chadha and Sahu, 2002; Sundaram, 2001, 2013; Mehrotra, et. al, 2012, 2013; Anant T.C et al. 2006; Kannan and Raveendran, 2019; Mehrotra and Parida, 2019; Nath and Basole, 2020; Himanshu, 2019). This phenomenon of growing informalization has crept into the formal sector of employment as well (Srivastava et al., 2020; Mehrotra and Parida, 2019).

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<sup>1</sup> See for details Majid, 2019; Ahluwalia, 2001; Subramanian and Felman, 2019; McMillan et al. 2017; Mehrotra and Parida, 2019; Srivastava et al., 2020

The recent Covid-19 pandemic has posed an unprecedented economic shock in the world of work across the globe, including India (ILO, 2020; ILO, 2021; Dev and Sengupta, 2020; Estupinan et al., 2020). An empirical estimate of this reports job loss of 114 million worldwide (ILO (2021). The Indian perspective of the same examined by ILO (2020) confirms that “Even before the Covid-19 crisis, India had been experiencing slower economic growth and rising unemployment problems that were dramatically worsened by the pandemic and the ensuing lockdown. The number of workers vulnerable to the lockdown could reach 364 million or more, including those in casual work, self-employment and unprotected regular jobs (lacking social protection coverage).” It is estimated that around 104 million and 69.4 million informally employed workers were at risk of job loss in Lockdown 1.0 and Lockdown 2.0 (Estupinan and Sharma, 2020). A report on ‘State of Working India 2021’ confirms increased informality during the pandemic along with reduced earnings for a majority of workers resulting in a sudden increase in poverty.

It is in this context that this paper attempts to explore the changing contours of employment and informality/formality and its sectoral/regional patterns in the Indian labour market during the last two decades. This exercise adopts the approach advanced by Srivastava and Naik (2016) and Srivastava et al. (2020) in analyzing and explaining formality and informality in the Indian labour market<sup>2</sup>.

## **2. Analysing Informality and its Patterns**

It is well acknowledged that differentiating between formal and informal is a complex one (ILO, 2018). The ILO offers suggestive criteria towards characterizing and analysing informality across countries. The Kenya Mission of ILO in 1972 referred to the term informality and stressed on the flexibility of the sector (Bangasser, 2000). The Fifteenth International Conference of Labour Statisticians (15<sup>th</sup> ICLS) adopted a Resolution concerning statistics of employment in the informal sector in 1993 to facilitate the national statistical offices to develop the definition for the informal sector (ILO, 2013). The 15<sup>th</sup> ICLS defines the informal sector as, “A group of production units comprised of unincorporated enterprises owned by households, including informal own-account enterprises and enterprises of informal employers (typically small and non-registered enterprises).”

Informality is largely narrated with underdevelopment (La Porta and Shleifer 2014). The significant way of looking at the state of the workforce engaged in the informal economy is in terms of decent work deficits (ILO, 2002). Ohnsorge and Yu (2021) notes, “A large informal sector is often associated with lack of development and weak governance as well as greater poverty and income inequality”. The phenomenon of informality may therefore subsist in any type of society, but is

<sup>2</sup> See for the detailed definition related to formal-informal workers and sectors from the study of, Srivastava, Ravi S. and Ajaya Kumar Naik (2016) “Growth and Informality in the Indian Economy” in K. P. Kannan, R. P. Mamgain and Preet Rustagi (eds.) *Development from the Perspective of Labour: Essays in honour of Prof. T. S. Papola*. New Delhi: Academic Foundation.

more likely to exist where legal rules and regulations are not well enforced (Maiti, 2014). Informality can no longer be treated as a residual phenomenon given its systematic rise across the countries of the world, including the industrialised ones (ILO, 2002).

Global overview in the magnitude of informal employment reflects that almost two billion of the world's employed population aged 15 and above worked informally representing 61.2 per cent of the global employment (ILO, 2018). On this count, Bonnet et al. (2018) argue that the lack of employment opportunities in the formal sector is what is paving way for more informal employment. The significance of formalization and decent living has been well recognized by ILO as well documented in the SDG Goals (2015-2030, UN). The SDG Goal 8 (target 8.3) calls upon countries to promote and adopt policies that generate decent employment, and promote entrepreneurship, innovation creativity, and encourage formalization.

In India, the NCEUS (2009) has classified formal and informal sectors using the criteria of employment size and enterprise type. As per NCEUS<sup>3</sup> definition, "The unorganised sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers". While, the "Unorganised workers consist of those working in the unorganised sector or households, excluding regular workers with social security benefits, and the workers in the formal sector without any employment and social security benefits provided by the employers." These concepts have been accepted by the National Statistical Commission's Working Group (NSC, 2012).

Various reasons have been cited for the increase in informalisation process. Srivastava (2019) highlighted that informalization, migration segmentation, and social discrimination contribute equally to the compromised labour welfare and rising labour market inequality. Srivastava et al., (2020) additionally notes "... informal employment has been defined as precarious employment, spanning all three sectors of the economy viz. formal sector, informal sector, and private households." As per the Economic Survey 2019-20, the formalisation process is viewed in terms of an increase in the absolute and percentage increase in regular workers, their payroll numbers, and their social security. Qualifying decent work criterion among informal workers is a challenging task for policymakers. Currently, as of 2018-19, the percentage shares of the formal and informal sector stand at 18.6 per cent and 81.4 per cent respectively. Such an imbalance can deter inclusive and sustainable growth.

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<sup>3</sup> Please refer the National Commission for Enterprises in the Unorganised Sector (NCEUS) Statistical Report, 2008, chapter 2 for detailed methodology of estimation of informal employment and the informal sector.

The predominance of informal employment in the labour market has been reasoned by many in different ways. For instance, Mehrotra (2019) cites both demand and supply factors for persistent growth of informality in the context of India. The demand-side factors that reinforced informality are the stagnant and low Hindu growth rate over 1950 to 1980, combined with the adoption of heavy-industry first strategy plus reservation of manufacture of products for small firms. This has led to the massive growth of unregistered firms, employing workers informally, and the small-scale sector remaining beyond the purview of labour laws. The supply-side factors, *inter alia*, includes the low level of investment in schooling by the state, which resulted in the poor educational attainment of the workforce and thereby inducing informal employment. Majumder, (2008) argues that “Liberalisation not only spurs the growth of tiny unlicensed production units but it also creates pockets of casual employment within the formal wage-regulated sector”. All these observations undoubtedly point towards the inadequacy of the labour market reforms to deal with informality. A study by Dougherty (2008) argues that, at the state level, although Indian labour reforms had a positive impact, but not sufficient to offset the negative labour market rigidities. The planning process, structural change, high growth trajectory, could not contend with the informal nature of the Indian economy. This implies that the formal sector is growing along with an element of a high degree of informalisation. Although much of the discussion is surrounding the state of informality, only a few studies explain the rise of informality within the formal sector (Srivastava et al. 2020). Given the contemporary situation of the formal job<sup>4</sup> market and informality in the larger perspective, formalization is the main policy issue.

This paper briefly discusses the nature, and magnitude of the informal sector and informal employment in India. The main objectives of the study are to trace the trends of the rise of informality within the formal sector and also to describe the informal economy at the aggregate level as well as across regions. With a reflective analysis of unit-level statistics, an incremental understanding of the rising informality in the Indian labour market is made in terms of its emerging features and patterns.

This study uses the unit-level datasets of the NSSO-EUS (61<sup>st</sup> round-2004-05 and 68<sup>th</sup> Round 2011-12) as well as the recent Periodic Labour Force Surveys (PLFS-I-2017-18 and PLFS-II-2018-19), to trace the changing structure of employment and informality/formality in the Indian labour market. Both the NSSO-Employment and Unemployment Survey (EUS) and the PLFS (I & II) capture various characteristics associated with labour and employment in India. Detailed information related to Labour Force Participation Rate (LFPR), Workforce Participation Rate (WFPR), and Unemployment Rate (UR) has been presented in these surveys. It is important to highlight that some differences exist between the NSSO-EUS and the PLFS surveys. While, the NSS-EUS surveys are stratified based

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<sup>4</sup> Terms such as job, workers and employment are used interchangeably.



on consumption expenditure and/or livelihoods, whereas for the PLFS surveys, households are stratified into three segments within the selected FSU, based on the presence of educated household members. However, there have not been much differences in concepts and definitions related to the usual status are concerned. In this study, the census adjusted weights have been used to do relevant calculations from the NSSO-EUS and PLFS datasets<sup>5</sup>. Employment and informality calculation is based on the Usual Principal and Subsidiary Status approach (UPSS)<sup>6</sup>. All the sectoral classification<sup>7</sup> has been done as per the NIC-2004.

### 3. Formal-Informal Employment in India

Table 1 provides absolute magnitudes of labour employment. The Indian economy has witnessed considerable changes in its employment situation over the last two decades (2004-05 to 2018-19). The overall employment increased by 14 million from 2004-05 to 2011-12 (455 million to 469 million) and subsequently declined by 14 million in 2017-18(455 million). The total labour employment stood at 467 million during 2018-19, with the informal sector employing 432 million. The organized sector increased from 52.9 million to 87.2 million during 2004-05 to 2018-19.

**Table 1**  
**Changing Trends in Labour Force and Employment (2004-05 to 2018-19)**

	Number (in million)				Growth Rate Compared to 2004-05		
	2004-05	2011-12	2017-18	2018-19	Spell-I	Spell-II	Spell-III
Total Labour force	466.84	480.67	485.04	496.91	0.42	0.29	0.45
Regular	69.82	86.73	109.72	115.69	3.15	3.54	3.67
Casual	128.14	137.61	110.30	110.14	1.02	-1.15	-1.08
Total Employment	455.70	469.94	455.04	467.48	0.44	-0.01	0.18
Organised Sector	52.94	76.65	82.82	87.17	5.43	3.50	3.63
Unorganised Sector	402.76	393.28	372.22	380.30	-0.34	-0.60	-0.41

<sup>5</sup> For details regarding computation of population projection kindly referred to the report no-554, 68th NSSO employment and unemployment survey. The census adjustment has done on the basis of census and NSSO employment data sets. First the Weighted NSSO population figure was estimated from the concerned NSSO employment and unemployment rounds both for rural-urban and male and female differently and after that the given figures are divided by the concerned census population figures. After getting the ratios, they are multiplied with the multiplier figures to get the census adjusted weights.

<sup>6</sup> "In this approach the status of activity on which a person spent relatively longer time of the preceding 365 days from the date of survey is considered as the principal usual activity of the person (MOSPI, 2012). Accordingly, a person is considered working or employed, if the person was engaged for a relatively longer time during the past year in any one or more work related activities". For details see the subsequent NSSO employment and unemployment reports, this analysis is directly taken from the NSSO employment and unemployment reports.

<sup>7</sup> The sectoral classification has been done at one digit level for broad seven groups which include agriculture, mining and manufacturing, construction and services and others.

	Number (in million)				Growth Rate Compared to 2004-05		
	2004-05	2011-12	2017-18	2018-19	Spell-I	Spell-II	Spell-III
Organised Workers	27.38	31.53	32.01	35.41	2.03	1.21	1.85
Unorganised Workers	428.32	438.41	423.04	432.07	0.33	-0.10	0.06

Source: Computed from the NSSO-EUS-PLFS unit-level data, Spell-I-2004-05 to 2011-12, Spell-II-2004-05 to 2017-18, Spell-III-2004-05 to 2018-19.

Table 2 depicts the estimates on the percentage distribution of 'formal-informal sector' and 'formal-informal workers'. The sector-wise composition shows that the formal sector share increased from 11.6 per cent to 18.7 per cent at the aggregate level. However, the regular formal workers' share declined from 38.4 per cent in 2004-05 to 29.8 in 2018-19. In 2004-05, close to 7.7 per cent of the total workforce were engaged in the formal sector (92.3 per cent to the informal sector). However, it increased to 11.0 per cent in 2018-19 (89.0 per cent in the informal sector).

The share of informal workers to the total workforce exhibited a marginal decline from 94.0 per cent in 2004-05 to 92.4 per cent in 2018-19 (see Table 2). A closer look at the four periods of the NSSO data in India since 2004-05 reveals that the formal labour market has grown, albeit, at a slow pace.

**Table 2**  
**Distribution of Formal and Informal Sectors and Workers**

	Formal-Informal Sector			Formal-Informal Worker		
	Formal Sector	Informal Sector	Total	Formal Worker	Informal Worker	Total
<b>Aggregate</b>						
2004-05	11.62	88.38	100	6.01	93.99	100
2011-12	16.31	83.69	100	6.71	93.29	100
2017-18	18.20	81.80	100	7.03	92.97	100
2018-19	18.65	81.35	100	7.57	92.43	100
<b>Regular</b>						
2004-05	57.99	42.01	100	38.38	61.62	100
2011-12	64.31	35.69	100	34.74	65.26	100
2017-18	60.99	39.01	100	28.10	71.9	100
2018-19	63.00	37.00	100	29.77	70.23	100
<b>Casual</b>						
2004-05	07.72	92.28	100	0.44	99.56	100
2011-12	13.42	86.58	100	1.01	98.99	100
2017-18	12.02	87.98	100	1.06	98.94	100
2018-19	11.03	88.97	100	0.85	99.15	100

Source: Computed from the NSSO-EUS-PLFS unit-level data.

Table 3 provides disaggregation of aggregate employment in terms of formal / informal sectors and according to regular status. It is important to note that the increase in formal sector employment has been mainly due to the rising proportion of informal employment in the formal sector. In fact, in 2018-19, the percentage of informal employment in the formal sector is larger than the percentage of formal employment.

**Table 3**  
**Distribution of Formal-Informal Sector and Worker: Total and Regular**

	Total			Regular		
	Formal Worker	Informal Workers	Total	Formal Worker	Informal Workers	Total
	2004-05					
Formal Sector	5.36	6.25	<b>11.62</b>	34.63	23.36	<b>57.99</b>
Informal Sector	0.64	87.74	<b>88.38</b>	3.75	38.26	<b>42.01</b>
Total	<b>6.01</b>	<b>93.99</b>	<b>100.00</b>	<b>38.38</b>	<b>61.62</b>	<b>100.00</b>
2011-12						
Formal Sector	6.11	10.20	<b>16.31</b>	32.01	32.31	<b>64.31</b>
Informal Sector	0.60	83.09	<b>83.69</b>	2.74	32.95	<b>35.69</b>
Total	<b>6.71</b>	<b>93.29</b>	<b>100.00</b>	<b>34.74</b>	<b>65.26</b>	<b>100.00</b>
2017-18						
Formal Sector	6.41	11.79	<b>18.20</b>	25.86	35.13	<b>60.99</b>
Informal Sector	0.62	81.18	<b>81.80</b>	2.24	36.76	<b>39.01</b>
Total	<b>7.03</b>	<b>92.97</b>	<b>100.00</b>	<b>28.10</b>	<b>71.90</b>	<b>100.00</b>
2018-19						
Formal Sector	6.90	11.74	<b>18.65</b>	27.32	35.69	<b>63.00</b>
Informal Sector	0.67	80.68	<b>81.35</b>	2.45	34.55	<b>37.00</b>
Total	<b>7.57</b>	<b>92.43</b>	<b>100.00</b>	<b>29.77</b>	<b>70.23</b>	<b>100.00</b>

Source: Computed from the NSSO-EUS-PLFS unit-level data.

Even though the percentage share of aggregate formal workers has gone up, the share of regular formal workers has declined over time. Indeed, the regular formal workers within the formal sector have declined from 34.6 per cent in 2004-05 to 27.3 per cent in 2018-19. This finding points to an increase in casual labour or rising out-sourcing within the formal sector. Although there was a decline in the regular formal workers from 38.3 per cent in 2004-05 to 28.1 per cent in 2017-18, we note a slight increase to 29.8 per cent in 2018-19. The total percentage of informal regular workers has increased from 61.6 per cent in 2004-05 to 70.2 per cent in 2018-19. The percentage of employment of regular workers in the formal sector increased from 58 per cent in 2004-05 to 63 per cent in 2018-19. As noted earlier, while the formal sector employment has increased, the increase is mainly

due to an increase in the informal workers in the formal sector. Table 4 illustrates the fact that workers in rural areas are more likely to be employed in the informal sector (95.8 per cent) than their urban counterparts (85.6 per cent).

**Table 4**  
**Percentage Distribution of Formal-Informal across Rural-Urban areas**

	Rural			Urban		
	Formal	Informal	Total	Formal	Informal	Total
	Formal-Informal Sector					
2004-05	5.89	94.11	100	28.33	71.67	100
2011-12	9.54	90.46	100	32.94	67.06	100
2017-18	10.72	89.28	100	33.41	66.59	100
2018-19	10.78	89.22	100	34.69	65.31	100
	Formal-Informal Workers					
	Formal	Informal	Total	Formal	Informal	Total
	Formal-Informal Workers					
2004-05	2.61	97.39	100	15.94	84.06	100
2011-12	3.18	96.82	100	15.37	84.63	100
2017-18	4.12	95.88	100	12.96	87.04	100
2018-19	4.22	95.78	100	14.43	85.57	100

Source: Computed from the NSSO-EUS-PLFS unit-level data.

#### 4. Sector-Wise Analysis of Informality

Sector-wise composition of the workforce in terms of formal-informal employment across the different industries during 2004-05 to 2018-19 is presented in Table 5. It may be seen that in 2018-19, informal sectoral employment within the formal sector is highest in finance & real estate (36.1 per cent) followed by public administration (31.6 per cent) and manufacturing & mining & electricity (28.0 per cent).

During this period, the share of the informally employed in the formal sector in the case of public administration has gone up marginally from 26 per cent in 2004-05 to 31.6 per cent in 2018-19.

Table 6 depicts the sector-wise growth of the workforce across the different industries during 2004-05 to 2018-19. There exists an inherent heterogeneity of informal employment within the formal sector across the industries. It is worth noting that the growth rate of formal workers within the informal sector for the industrial sector was -2.8 per cent, while it recorded positive growth for the service sector during the reference period (2004-05 to 2018-19).

In India self-employment, especially in agriculture, is the dominant form of employment which is often characterized by indefinite hours of work, lack of social security, and uncertainty in income. Growth of informality at a rapid rate was

**Table 5**  
**Percentage Distribution of Formal-informal Sector Employment**

	2004-05				2011-12				2017-18				2018-19			
	FS-FW	FS-IW	IS-FW	IS-IW	FS-FW	FS-IW	IS-FW	IS-IW	FS-FW	FS-IW	IS-FW	IS-IW	FS-FW	FS-IW	IS-FW	IS-IW
Agri	0.05	0.20	0.01	99.74	0.07	0.26	0.02	99.65	0.09	0.44	0.00	99.47	0.08	0.28	0.01	99.63
Min_Man_EGW	9.35	21.60	1.21	67.84	9.06	26.79	0.89	63.26	9.38	28.52	0.63	61.47	10.51	28.04	0.54	60.91
Construction	1.05	17.44	0.66	80.84	2.35	26.12	0.52	71.01	2.34	18.13	0.66	78.87	1.95	16.50	0.47	81.08
THR	1.16	3.67	0.94	94.23	1.59	5.49	0.64	92.28	1.63	6.87	0.59	90.91	2.27	7.95	0.96	88.82
TSC	13.09	10.08	1.36	75.47	11.73	11.75	1.71	74.80	8.33	12.71	1.11	77.85	8.93	13.31	1.17	76.59
FI_RE	27.39	16.86	3.88	51.87	29.12	23.88	2.79	44.21	22.46	35.06	2.43	40.05	23.36	36.08	2.20	38.37
Pub_ad	70.86	25.99	1.36	1.80	69.16	30.84	0.00	0.00	62.87	37.13	0.00	0.00	68.41	31.59	0.00	0.00
EHC	24.64	11.57	3.07	60.72	26.66	17.94	2.68	52.71	25.59	22.90	2.60	48.91	25.74	23.03	2.85	48.38
Secondary	6.83	20.34	1.05	71.78	6.14	26.50	0.73	66.63	6.14	23.75	0.65	69.46	6.44	22.55	0.51	70.50
Service	16.35	9.38	1.78	72.50	16.46	13.02	1.49	69.03	14.74	17.13	1.39	66.74	15.55	17.52	1.60	65.34
Non-Agri.	12.25	14.10	1.46	72.19	11.64	19.32	1.14	67.91	10.99	20.01	1.07	67.92	11.63	19.68	1.13	67.56
Total	5.36	6.25	0.64	87.74	6.11	10.20	0.60	83.09	6.41	11.79	0.62	81.18	6.90	11.74	0.67	80.68

Source: Computed from the NSSO-EUS-PLFS unit-level data.

Note: FW-FW-Formal sector and formal worker, FS-IW-formal Sector informal worker, IS-FW-Formal Sector and formal worker, IS-IW-informal sector and informal worker.

Note: Agri.-Agriculture, Min\_Man\_EGW-Mining, Manufacturing and Electricity, THR-Trade, Hotel and Restaurant, TSC- Transport, Storage and Communication, FIRE- Finance and real Estate, Pub\_ad-Public Administration, EHC-Education, Health, Community and other services.

**Table 6**  
**Growth in the Formal-Informal Worker**

	2004-05 to 2011-12				2004-05 to 2017-18				2004-05 to 2018-19			
	FS-FW	FS-IW	IS-FW	IS-IW	FS-FW	FS-IW	IS-FW	IS-IW	FS-FW	FS-IW	IS-FW	IS-IW
Agri	3.71	1.67	3.08	-1.92	2.94	3.78	-15.96	-2.28	1.25	0.30	-4.04	-2.10
Min_Man_EGW	0.76	4.38	-3.22	0.21	0.36	2.50	-4.59	-0.42	1.17	2.21	-5.34	-0.45
Construction	23.15	16.30	5.97	7.77	12.34	5.95	5.64	5.44	10.50	5.31	3.21	5.75
THR	6.42	7.81	-3.56	1.48	4.10	6.42	-2.17	1.13	6.76	7.55	1.90	1.34
TSC	0.31	4.16	5.32	1.77	-1.26	4.07	0.63	2.48	-0.61	4.20	1.07	2.26
FI_RE	8.54	13.09	2.64	5.17	5.52	13.35	3.34	5.03	5.72	12.90	2.66	4.65
Pub_ad	-1.49	1.30			-1.99	1.67			-1.01	0.63		
EHC	3.05	8.49	-0.06	-0.14	2.58	7.80	0.99	0.59	3.05	7.91	2.19	1.08
Secondary	2.71	8.30	-1.02	3.18	1.48	3.54	-1.42	2.05	1.95	3.14	-2.78	2.25
Service	2.19	6.99	-0.43	1.37	1.33	6.98	0.24	1.49	2.03	7.07	1.61	1.63
Non-Agri.	2.31	7.81	-0.61	2.17	1.36	5.01	-0.23	1.73	2.01	4.86	0.50	1.90
Total	2.32	7.72	-0.56	-0.34	1.37	4.99	-0.31	-0.61	2.00	4.80	0.46	-0.42

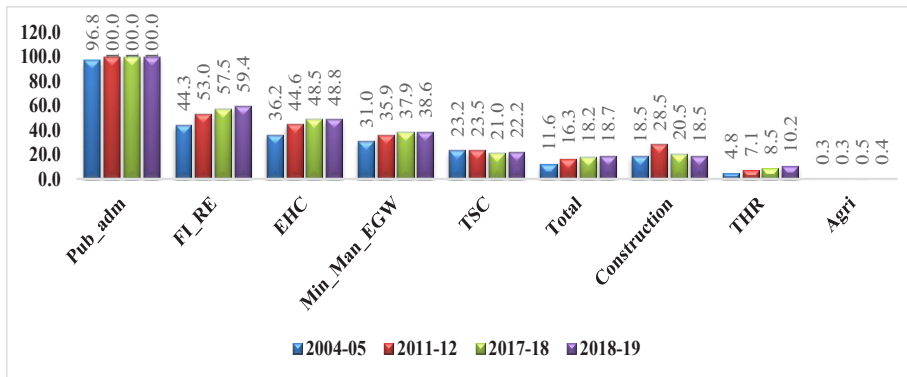
Source: Same as Table-5.



reported in the industrial sector than other sectors of the economy. In comparison to 2004-05, the level of informal employment growth within the informal sector exhibits a declining trend in 2018-19. Across sectors, in finance and real estate, informal employment growth within the formal sector picked up significant growth. In the second spell, industry, mining, and construction sectors recorded a negative employment growth in the formal sector, while in the informal sector, agriculture, mining, and manufacturing sectors witnessed a low employment growth. Public administration, the largest source of formal employment, has recorded negative growth. The structural shift of the economy is evident from the negative growth of employment in the agriculture sector.

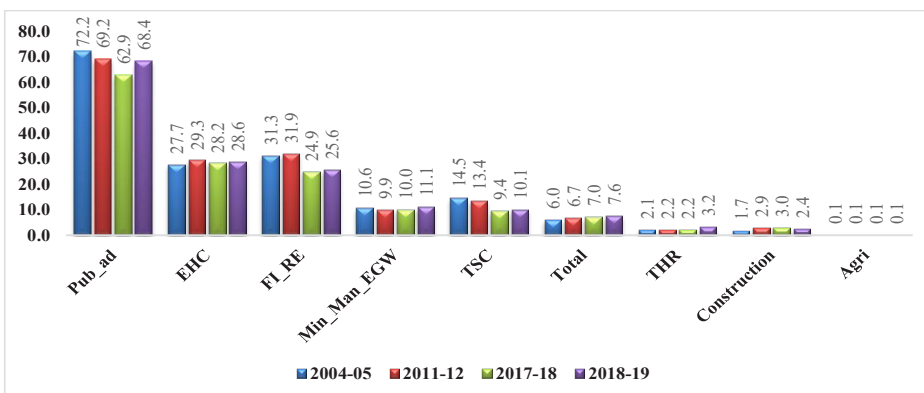
Figure 1 and Figure 2 highlight the fact that a higher degree of formalization (formal sector and formal worker) has been concentrated in the service sector. The estimates show that 68.4 per cent of the total formal workers are employed in public administration during 2018-19.

**Figure 1**  
**Percentage of Total Employment in the Formal Sector by Industry Groups**



Source: Computed from the NSSO and PLFS unit level datasets.

**Figure 2**  
**Percentage of Total Employment in the Formal Workers by Industry Groups**



Source: Computed from the NSSO and PLFS unit level datasets.

**Table 7**  
**Percentage of Formal Sector Workers: Industry Wise**

	2004-05			2011-12			2017-18			2018-19		
	Self_empl	Regular	Casual	Self_empl	Regular	Casual	Self_empl	Regular	Casual	Self_empl	Regular	Casual
Agri	19.07	34.23	46.70	6.98	30.40	62.62	16.03	35.87	48.11	7.73	51.79	40.48
Min_Man_EGW	5.70	69.15	25.15	3.68	75.82	20.50	4.42	81.59	13.99	2.34	87.09	10.57
Construction	8.46	12.93	78.61	4.56	10.62	84.82	6.31	14.44	79.25	5.53	16.52	77.95
THR	13.66	71.63	14.72	8.78	81.26	9.95	5.95	88.15	5.89	6.36	87.49	6.15
TSC	3.04	86.53	10.43	3.21	88.01	8.78	1.15	93.25	5.60	2.21	89.50	8.29
FI_RE	7.87	90.20	1.93	2.57	95.29	2.15	2.39	96.60	1.01	1.69	97.78	0.53
Pub_ad	0.47	97.82	1.72	0.00	99.24	0.76	0.00	98.76	1.24	0.00	99.32	0.68
EHC	2.11	96.14	1.75	1.20	97.52	1.28	0.74	98.65	0.61	1.09	97.75	1.16
Total	4.84	76.48	18.68	3.14	72.77	24.09	3.19	80.80	16.01	2.46	83.61	13.93

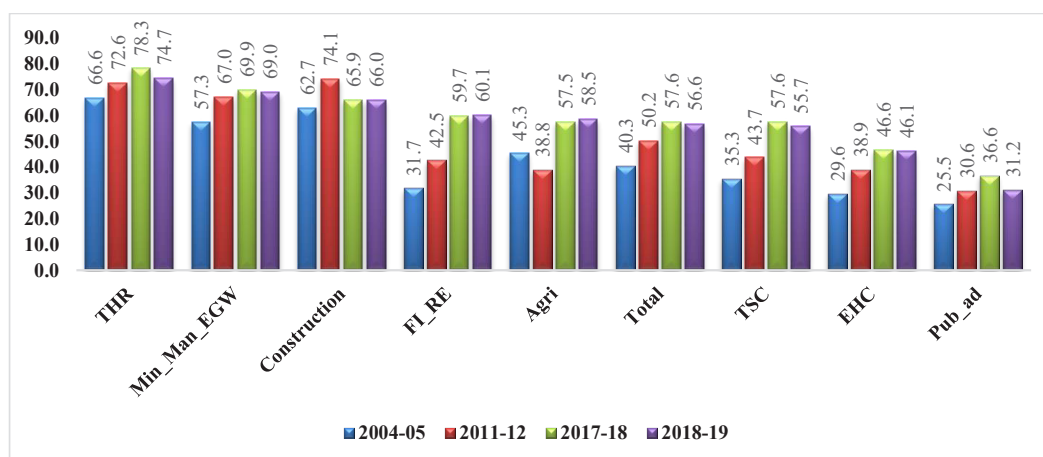
Source: Computed from the NSSO and PLFS unit level datasets and Srivastava et al. (2020).

The percentage distribution of workers across the industries by activity status is given in Table 7. The composition of employment in the formal sector (by activity status), self-employed, regular, and casual was in the proportion 2.4 per cent, 83.6 per cent, and 13.9 per cent in 2018-19 as against 4.8 per cent, 76.48 per cent, and 18.9 per cent in 2004-05, indicating an increase in regular employment. The percentage of self-employed workers in the formal sector is just 2.46 per cent in 2018-19.

In comparison to 2011-12, the percentage of casual workers within the formal sector has fallen from 24.9 per cent to 13.9 per cent in 2018-19. In 2004-05 almost 72.2 per cent of formal workers were employed in public administration. By 2017-18, the percentage shares declined to 62.9 per cent in 2017-18 and again goes up to 68.4 per cent in 2018-19. The growth in the informal workers was significantly higher than that in the formal workers in all the industry segments and a sharp decline in the hiring of formal workers has been witnessed.

The distribution of the informal employment in the formal regular sector is presented in Figure 3. The trend of rising informal employment within the formal sector in the Indian economy is worrisome. The estimates reflect that informality in the formal regular sector is higher for the trade, hotel, restaurant category followed by manufacturing, mining, and electricity.

**Figure 3**  
**Percentage of Informal Employment among Regular Salaried Work in the Formal Sector**



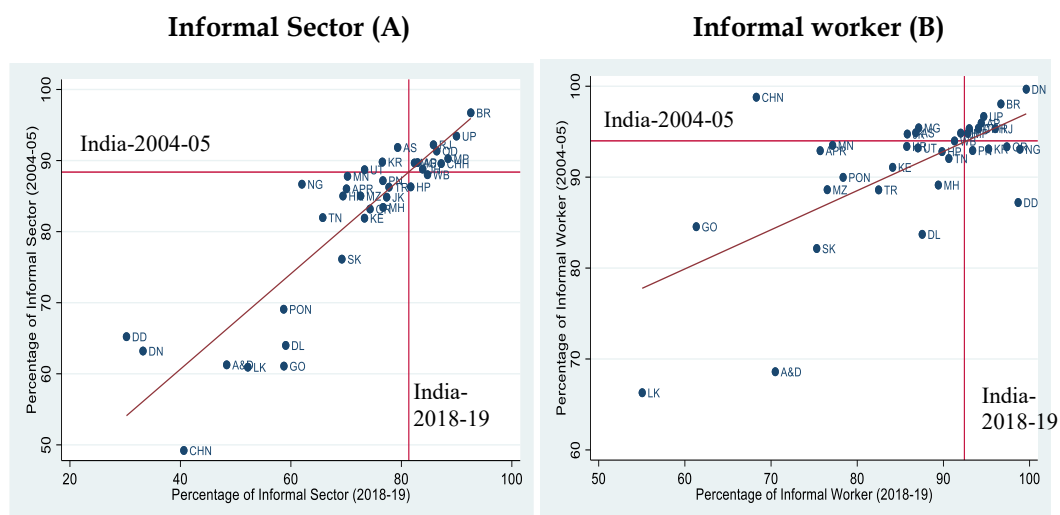
Source: Computed from the NSSO and PLFS unit level datasets and Srivastava et al. (2020).

## 5. Regional Dimension of Informality

Figure 4 highlights the relative position of different states in terms of informality (across sectors and workers) during 2004-05 and 2018-19 corresponding to all India estimates (reflected in horizontal and vertical lines for both the time points).

The regional analysis reflects that informality exists in different degrees across the states at various levels of socio-economic development.

**Figure 4**  
**Regional Pattern of Informalisation (Sectors and Workers)-2004-05**  
**and 2018-19 (percentage)**



Source: Computed from the NSSO and PLFS unit level datasets.

Note: A&D- A & N Islands, AP- Andhra Pradesh, APR-Arunachal Pradesh, AS- Assam, BR-Bihar, CHN- Chandigarh, CHH- Chhattisgarh, DN-D & N Haveli, DD-Daman & Diu, DL- Delhi, GO-Goa, GR- Gujarat, HR- Haryana, HP- Himachal Pradesh, JK-Jammu & Kashmir, JH-Jharkhand, KR-Karnataka, KE-Kerala, LK-Lakshadweep, MP-Madhya Pradesh, MH-Maharashtra, MN-Manipur, MG-Meghalaya, MZ-Mizoram, NZ-Nagaland, OD-Odisha, PON-Pondicherry, PN-Punjab, RJ-Rajasthan, SK-Sikkim, TN-Tamil Nadu, TL-Telangana, TR-Tripura, UP-Uttar Pradesh, UT-Uttarakhand, WB-West Bengal.

Figure 4 (A) shows that, there is a presence of high informality (informal sector) in poorer states such as Bihar (92.6 per cent), Uttar Pradesh (89.9 per cent), and Madhya Pradesh (88.5 per cent), while, it is lower in Goa, Nagaland and Tamil Nadu during 2018-19. Further, the net decline in the proportion of informal sector (reflecting formalization) is higher for the states such as Nagaland, Manipur, Tamil Nadu during 2004-05 to 2018-19<sup>8</sup>.

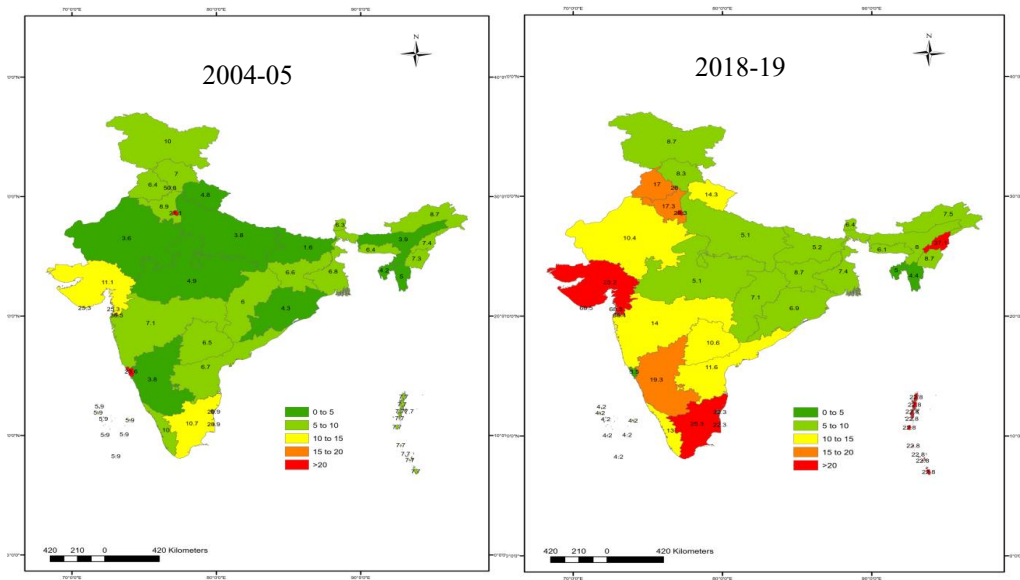
Similarly, Figure 4 (B) shows the proportion of informal workers' share is higher for the states such as Nagaland (98.8 per cent), Gujarat (97.3 per cent), and Bihar (96.6 per cent), while it is lower in Goa, Sikkim, and Arunachal Pradesh during 2018-19. Also, the proportion of informal workers is higher than the national estimates for states such as, Madhya Pradesh, Bihar, Odisha, Punjab, Andhra Pradesh, Uttar Pradesh, Karnataka, Rajasthan, Gujarat, and Nagaland. It is interesting to note that

<sup>8</sup> This analysis is excluding the Union Territories.

a few states such as Goa, Arunachal Pradesh, and Manipur report a decline in the informal workers during 2004-05 to 2018-19 (see Figure 4 (B)).

Here, we have also presented the regional dimension of informal employment in the formal sector at the aggregate level as well as for the regular workers during 2004-05 and 2018-19 (see Figure 5 and Figure 6). The estimates reflect that there exists wide cross-state heterogeneity in terms of informalisation of the formal sector over the last one and half decades.

**Figure 5**  
**Regional Pattern of Total-Informal Employment in the Formal Sector:**  
**2004-05 and 2018-19: All Workers**



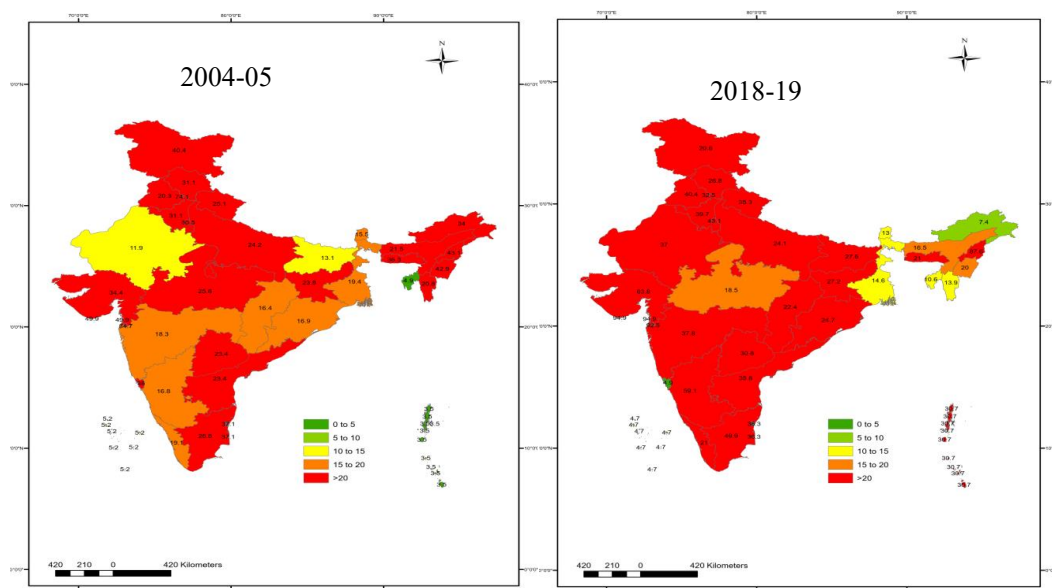
Source: Computed from the NSSO and PLFS unit level datasets.

Figure 5 shows the regional pattern of informalisation of the formal sector at the aggregate level. At the aggregate level, the presence of informalisation in the formal sector is higher in states such as Nagaland (37.1 per cent), Tamil Nadu (25.3 per cent), and Gujarat (23.2 per cent). Further, states such as Jammu and Kashmir, Arunachal Pradesh, Mizoram, and Meghalaya exhibit a decline in the informalization of the formal sector during 2004-05 to 2018-19.

Figure 6 shows the regional pattern of informalisation of the formal sector for the regular workers. The estimates reflect that the percentage of informal regular workers within the formal sector is pervasive (i.e., more than 40 per cent) in a few states such as Tamil Nadu, Karnataka, Gujarat, Punjab, and Nagaland. Also, states such as Nagaland, Karnataka, and Gujarat show an increase in the informalisation of the formal sector during 2004-05 to 2018-19. The estimates also reflect that for the regular employment, the informal workers in the formal sector almost got doubled

in states such as Punjab, Rajasthan, Bihar, Tripura, Karnataka, Maharashtra, and Nagaland during 2004-05 to 2018-19.

**Figure 6**  
**Regional Pattern of Informal Employment in Formal Sector-2004-05**  
**and 2018-19: Regular Workers**



Source: Computed from the NSSO and PLFS unit level datasets.

## 6. In Lieu of Conclusion

This study presents a detailed overview of formal-informal employment in the Indian labour market during 2004-05 to 2018-19. The analysis reveals a moderate growth in the formal labour market, however with growing informalization in the formal sector jobs. The trends also reflect a decline in overall employment growth during 2011-12 and 2017-18 and a moderate increment from 2017-18 to 2018-19. Further, the informal sector workers within the informal employment show a negative growth during 2004-05 to 2018-19. Within the formal sector, the growth of informal workers has increased from 6.25 per cent in 2004-05 to 11.74 per cent in 2018-19. Although the formal sector employment increased moderately, there was an unprecedented decline in the regular formal workers within the formal sector. The growth rate of informal employment within the formal sector shows a greater proliferation of informality. The regional analysis depicts that the degree of informality varies considerably across the states. Given the disconnect between the high growth of the economy and the increasing informalisation of the employment relations economy, it is critical to evolve and implement policy measures to ensure the transition to formality. Universalizing social security entitlements and ensuring that all such entitlements are technology-enabled can accelerate the process of formalisation of the Indian labour market.



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## **Working Conditions of Palliative Care Nurses under Homecare Programmes of Grama Panchayats in Kerala**

**Karthika. K\* and Nirmala Padmanabhan\*\***

*Relevance of care work under health sector, especially palliative care, is increasing day by day both due to the relief received by patients as well as because of the generation of employment for care givers. Considering that decent work for care workers is a critical prerequisite to ensure quality care, this paper examines the working conditions of palliative care nurses under the primary level home care programme of Grama Panchayats in Kerala which is perceived to be a role model of care worth replication throughout India as well as many other countries. It highlights that dedicated work of the palliative care nurses is a fundamental factor leading to the success of the programme. However, despite having relevant qualifications, experience and workloads beyond statutorily specified levels, the payments and entitlements they get are not on par even with the lowest employment categories in a local government. Basic tenets of decent work such as fair income, security in the work place, social protection, and better prospects for personal development are all beyond the reach of this critical segment of workers. Thus, to ensure sustainable quality care, Kerala now needs to focus on ensuring that such care is provided within decent work framework so that service providers benefit along with the beneficiaries.*

**Keywords:** *Palliative Care Work; Care Economy; Home Care Givers; Decent Work Framework; Kerala*

### **1. Introduction**

Care work, both paid and unpaid, is at the heart of humanity and society. Relevance of care work under health sector especially palliative care is increasing day by day not just because of the relief received by patients and their family but also because it is one of the highest generators of employment in the country. Paid care work is also projected to be an important source of employment in the future, especially among women. Demographic, socio-economic and environmental transformations are increasing the demand for care workers, who are often trapped in low quality jobs. The ILO report on care economy (2018) suggests policy recommendations and measures needed to achieve the high road to care work in the 5R Framework for Decent Care Work: recognize, reduce and redistribute unpaid care work; reward paid care work by promoting decent work for workers; and guarantee care workers' representation, social dialogue and collective bargaining. Care work

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is essential for reproduction of the future workforce, for the health and education of the current workforce and for caring for the growing numbers of patients and elderly. The availability and quality of care services are directly related to the levels of employment and the working conditions of care workers. Underpay, overwork and, in general, difficult working conditions are associated with bad quality care, to the detriment of both care workers and care recipients. "Caring for care workers requires extending labour and social protection to all care workers, promoting professionalization while avoiding de-skilling, ensuring workers' representation and collective bargaining and avoiding cost-saving strategies in both the private and the public care sectors that depress wages or shorten direct care time" (ILO 2018). This paper examines community cum home based palliative care which is an integral part of the care economy in Kerala and serves as a role model worth replication throughout India as well as many other countries. It analyses the working conditions of palliative care nurses under the primary level home care programme in Grama Panchayats using the decent work framework.

The paper is organised as follows. The first highlights the relevance of the study. The second reviews existing literature on palliative care while the third briefs the decent work framework which is used to analyse the benefits given to a critical group of home care givers. The fourth section highlights the growth and significance of palliative care system in Kerala which also briefly explains the functions performed by palliative care team in general and nurses in particular at local government level. The fifth section analyses the financial package and benefits currently available to palliative care nurses as compared to that available to permanent employees in local government institutions.

## **2. Relevance of the Study**

Palliative care is an approach that improves the quality of life of patients and their families facing problems associated with life threatening illness, through prevention and relief of suffering by means of early identification, impeccable assessment and treatment of pain and other problems, physical, psychological and spiritual (WHO, 2012). Demand for palliative care is steadily increasing in Kerala due to the burden of chronic diseases such as heart failure, cerebrovascular accidents, diabetes, kidney failure, parkinson, neurological disease, dementia, congenital anomalies, chronic mental illness, spinal cord injuries and drug resistant tuberculosis. People affected by quadriplegia and paraplegia also require their services. The fact that the state has a relatively high proportion of elderly and a progressively ageing population projects increasing significance and need for such services in future also. Functioning of palliative care in Kerala is of critical significance due to the community driven model, home-based care and cost-effectiveness compared to hospital-based care. Kerala which is traditionally renowned for its high quality of life, now, is also proving to be the best place to die with its high quality of death index. The interventions of local governments in the area of palliative care



demonstrates how a decentralised approach can help needy persons to obtain care.

The state has now emerged as the leader in palliative care in India and functions as a role model worth replication throughout the country. Kerala model of community cum home based palliative care is also now considered internationally as an alternative to the western system of institution-based care. Currently the Institute of Palliative Medicine in the Medical College, Calicut functions as a WHO Collaborating Centre for community participation in palliative care and long term care and is one of the five recognized international centres in palliative care in the world. It also has initiated palliative care programs in Indonesia, Seychelles, Ethiopia and Switzerland. Thus the experience of Kerala has significance for not only rest of India but for many countries.

### **3. Review of Literature**

Existing literature report that palliative care is very rarely given right from the stage of diagnosis of terminal illness which is the apt point of giving the service (Smith et al., 2012). At least in India, palliative care is mostly resorted to in the end-of-life stage. By this time, the disease would have consumed both the sick and their family and both need support. Treating the care givers also becomes imperative, since stress erodes the quality of support they can give to the patient (Ekedahl and Wengström, 2007, Vrettos et al., 2012). Often the disease has severe financial impact on the family that lasts for years after the demise of the patient as shown by Brown et al. (2001). The burden of the disease on care givers was first quantified by Zarit et al. (1980), who introduced the Zarit Burden Inventory. This scale has undergone revisions and a number of newer instruments have been developed. Some of these are disease specific while others are generic and aimed at exploring the effect of the stress on a particular aspect of the care givers' life, as revealed in a review by Durme et al. (2012).

Studies have also reviewed varied dimensions of palliative care in Kerala and India such as operation of home based care (Kumar, 2010), problems of cancer patients under palliative care (Rajagopal and Kumar, 1996), functioning of neighbourhood network in palliative care (Numpeli and Kumar, 2004), ethical issues associated with treatment strategy (Mudigonda and Mudigonda, 2010), reach of a community-managed palliative care programme to improve perceived physical quality of life among the elderly (Dongre, et. al. 2012) strengths and weaknesses of palliative care across the subcontinent (McDermott et al. 2008). Studies also report higher levels of stress for female caregivers (Kim et al. 2007). Subramanian et. al. (2021) points out the satisfaction received by the patients from the home care services as they can spend their last phase of life with family along with nursing support.

Studies also highlight the distinguishing feature of palliative care in Kerala wherein Local and State governments play a major role in running the services



as compared to most of the other regions where services are managed by NGOs. The main components of Kerala's programme are reported to be community mobilization and ownership by the local community, involvement of the local self-government institutions (LSGI) and incorporation of palliative care in the primary healthcare system. The major player in development of this public health model in palliative care in Kerala has been LSGI in the state (Kumar, 2013, Paleri, 2008). A few highlight major shortfalls in the system which include absence of social workers in the home care teams, inadequate financial resources, etc. (Raj, 2016). Jayalakshmi, et.al (2017) similarly point out absence of a rational structure of work allocation, limited role of LSGIs restricted to funding and insufficient allocation of resources. This paper analyses the working conditions of a critical segment of home care programme in Grama Panchayats namely care nurses using the decent work framework.

#### **4. Decent Work Framework**

The concept of decent work emerged with the foundation of the International Labour Organisation (ILO) in 1919. Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the work place and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. The ILO works with countries to extend social protection in two ways: by pushing for rapid implementation of national social protection floors of basic social security guarantees that ensure universal access to essential health care and income security while also improving existing social protection schemes to provide higher levels of benefits, progressively, to as many people as possible. The new sustainable development agenda agreed by the UN member states in 2015 also set out to achieve full and productive employment and decent work for all women and men, youth and persons with disabilities, and equal pay for work of equal value by 2030.

Just as human development is an attempt to understand the quality of life of the people in general, decent work is an attempt to understand the quality of life of workers in the work place. Anker et al. (2003) have provided the basis for developing a core set of decent work indicators and suggested 11 broad indicators, namely: employment opportunities, acceptable work, adequate earnings and productive work, decent hours, security and stability of work, balancing work and family life, fair treatment in employment, safe work environment, social protection, social dialogue and workplace relations, and the economic and social context of decent work. Bescond et al. (2003) have suggested seven indicators of decent work: hourly pay, hours of work, unemployment, school enrolment, youth share of unemployment, male-female gap in labour force participation, and old

age without pension. Standing (2002) also constructed a micro-level decent work index and considered work-related security as labour market security, employment security, job security, work security, skill reproduction security, income security, and representation security. Mehta (2015) highlighted that the job security is an important aspect as if a company or firm faces loss, or does not get the new project, the workers lose their jobs. It is an example of decent work deficit or lack of social security provision. A decent employer needs to give at least public provident fund or help financially for a considerable time span until employee is able to find a stable job. Overall, the concept of decent work sums up the aspirations of people in their working lives. The different approaches discussed above provide various indicators to measure decent work. These measures may vary with the actual working conditions of workers in a particular sector or industry.

The major challenge for the ILO is to ensure enterprise sustainability and growth in the phase of global competition and at the same time protecting the interests of workers. Ensuring decent work for all is a huge challenge faced in State of Kerala also since that is one of the very few SDGs in which the state lags behind the entire country. Even though Kerala is a topper in India in composite SDG Index, in the case of SDG 8 that is 'Decent Work and Economic Growth' Kerala lags behind 9 states (NITI Aayog, 2021). Thus, ensuring fair working conditions for all its workforce is critical for Kerala to improve its performance and retain its top position in composite SDG Index.

## **5. Palliative Care System in Kerala**

The state government of Kerala declared its Palliative Care Policy on April 15, 2008 which had been formulated on the basis of a project report submitted to the government by Pallium India in 2005. It was the only government in the country to have a policy in palliative care since there was no national policy on the subject. The primary aim was to provide care services through home-based care projects by Local Self-Government Institution all over the state as an integral part of the Public Health Care System so as to improve the quality of life of patients with incurable or chronic diseases through treating pain as well as offering social, emotional and spiritual support. Thus, the linchpin of the policy is the home-care projects. It envisaged a public health approach to provide holistic care to needy with their family as the core unit of care. Palliative care services, as per the policy guidelines and practice, have become operational in the state at three levels- the primary level of basic home-based care and support, the secondary level of specialty palliative care services and the tertiary level of advanced care and training and research activities.

The short-term object was to train minimum 300 volunteers, 200 doctors and nurses in two years. It also aimed at having oral morphine and a trained doctor and nurse in all the government medical college hospitals. However, the long-term object of the policy was to train 1000 volunteers in every district and to

have clear guidelines for procuring, storing and dispensing medicines needing special license, like morphine. The policy was highly appreciated by all political parties in the state and was implemented as part of the National Rural Health Mission. The State Health Society of National Rural Health Mission that has been named 'Arogyakeralam', in coordination with Institute of Palliative Medicine, carried out the pilot project. Subsequently Government of Kerala directed Local Self-Government Institutions and Primary Health Centres to become involved, to implement, and to facilitate such care. Arogyakeralam was the strategy used for this under National Rural Health Mission.

Medical officers of PHCs and Community Health Centres (CHCs) were to coordinate with community-based organizations and LSGIs in developing a common platform for palliative service delivery at the primary level. The LSGIs are primarily responsible for overall implementation of the programme, that is, preparation of annual plan including budget allocation for each financial year, forming home care team, training and coordination between the services provided by Non-Governmental Organisations (NGOs) and other CBOs, monitoring and evaluation of the palliative care programme. Services provided are managed through Primary Health Centres and funding is provided by the local governments based on proposals submitted. As per the guidelines issued by Government of Kerala, every local government should mandatorily form a project for palliative care since 2015.

Grama Panchayats with the support of Primary Health Centre provide the primary level of home-based care and support for bedridden patients. The home-based care team consists of a trained nurse, a medical officer-in-charge, local Accredited Social Health Activists (ASHAs), a Junior Public Health Nurse and an elected representative. The team identifies those patients who are in need of home-based care. After shortlisting the patients, the team especially palliative care nurse visits the home of the patient at least once in a month. The team assesses the medical, emotional, spiritual and financial situation of the patient based on which visits, counselling, and medicines are given. Such services are given freely. The family members are also trained to take care of the patients. Technical assistance and advice for such care is primarily given by the nurse during the visit. There are nearly 1000 palliative care nurses who provide such assistance at home for the bedridden and terminally ill and offer guidance for appropriate treatment to socio-economically disadvantaged patients. They provide relief to patients and their families through their visits, medical assistance as well as counselling and mental support.

As of March 2014, the project was providing primary-level palliative care to an average of 48,339 patients each month and secondary-level care to an average of 2,419 patients each month. The number of Local Self Government Institutions

implementing such care systems were 875 and 5 per cent of the Panchayat Plan Funds had to be allocated for this project. 74 major hospitals had palliative care units and 15 palliative care units were functioning as training centres in Kerala. In 2015, each of about 900 Local Self Government Institutions/Panchayats employed a trained nurse in providing care. In the government sector, out of 113 secondary centres (district/taluk and general hospitals) there are 95 doctors in total and each centre has one nurse.

#### **6. Working Conditions of Palliative Care Nurses Under Grama Panchayats in Comparison With Other Permanent Government Employees of Grama Panchayats**

Palliative care nurses provide an integrative and multidisciplinary treatment approach that helps patients maintain physical, mental and emotional health. They take time to understand the needs of each patient in order to provide a customized treatment plan that provides lasting relief. They alleviate symptoms related to disease that include pain, chronic fatigue, and muscle weakness. They can maintain and monitor equipment and assist with personal care needs such as bathing and feeding. Most importantly, they help patients and their families feel safe and comfortable.

In each Grama Panchayat, palliative care nurses have to necessarily make 16 days of home visits in a month to provide care at home for the bedridden and terminally ill and offer guidance for appropriate treatment to socio-economically disadvantaged patients. The number of days may increase depending upon the conditions of the patients under primary level treatment. Sometimes patients needing dressing of wounds regularly or on alternate days and several other medical and psychological assistance increase the total number of home visits. They have to cover minimum of 8 patients per day which may increase to 15 patients if needed. Their official duty time for home visits is fixed as 10 a.m. to 4.30 p.m. But this may sometimes extend after 4.30 p.m. depending on the work. They have to record all the details of the patients in the register provided. Regarding the qualification, a palliative care nurse should have a qualification of ANM (Auxiliary Nurse Midwifery) or GNM (General Nursing and Midwifery) which are diploma courses or B.Sc. Nursing. They have to attend a training for one and half years before getting the job.

Since nurses form the pivot of the care team formed in each local body, a comparison is made with overall employment structure at the local government level. With 73<sup>rd</sup> and 74<sup>th</sup> Constitutional amendments in India many functions and functionaries have been transferred to this third tier of government and they consist of many departments like Panchayat/Municipal Common Service, education, primary health service engineering, etc. With regard to the permanent employees under Local Govt. system, at the top of the hierarchy there are more

than 20 posts with various scale of pay like Additional Director, Joint Director, Chief Registrar, Deputy Director, Assistant Director, PF Accounts Officer, Secretary, System Manager, Librarian, Health Inspector, Auxiliary Nurse-cum-Midwife, etc. and a lot of common category posts with different salary structures such as Administrative Assistant, Head Clerk, Senior Clerk, Clerk, Typists of different grade, Confidential Assistant of different grades, Driver, Sweeper, etc.<sup>1</sup> Thus local government is now a major employment generator in each locality in Kerala and almost all of these employees are coming under the frame work of decent work. Amongst these varied job categories, we consider only the analogous job categories of common staff of the Panchayats and the health staff which come under Municipal Common Service to make a comparative analysis of benefits received by palliative care nurses vis-à-vis those of permanent employees in Local Self Government.

As per the report of the eleventh pay revision commission related to Panchayat employees, the lowest scale of pay is for the full-time sweeper which is 16500-35700 (Rs.) per month at present and is revised now to 23000-50200 (Rs.). The same salary is got by female attendant, lady assistant and sanitary worker under the health services. The auxiliary nurse-cum-midwife who was getting 20000-45800 (Rs.) per month which was revised to 27900-63700 (Rs.) and they are also getting uniform allowance of Rs.2000 per annum and permanent conveyance allowance of Rs.170 per month. Along with these they are getting all other benefits provided to permanent government employees such as Provident Fund and Gratuity, Employees' State Insurance (which include medical benefits, maternity benefits, etc.). Other than these, every government employee is getting DA, TA, HRA, etc.

Even though a female nurse is a must for working as palliative care volunteer under the palliative care programme of Grama Panchayats, that post is not treated as a permanent one. As per government regulations, local governments appoint nurses to this post under the PHCs or CHCs on contract basis. A common salary is fixed in all Grama Panchayats which is Rs.15,000 only per month and the proposed revised salary is Rs.18,000. This salary is given from the Panchayat's fund. Even though they are working under a government department, they are not receiving any benefits as that of a government employee. As they are working on a contract basis, there is no job security. Also, they are getting very less pay as compared to the lowest income earned by a Panchayat employee, i.e., that given for the full-time sweeper, female attendant, lady assistant and sanitary worker under the health services. No other benefits such as Provident Fund and Gratuity, Pension, Insurance, DA, HRA, etc. are provided to them. (Table 1).

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<sup>1</sup> Details of various relevant category of posts with corresponding salary scale from the Report of the XI Pay Revision Commission is given in the appendix



**Table 1**  
**Benefits Received by Government Employees Vis a Vis Palliative care Nurses**

Benefits	Govt. Employees	Palliative care Nurses
Salary	Yes	Yes
Provident Fund	Yes	No
Gratuity	Yes	No
Pension	Yes	No
Employees' State Insurance	Yes	No
DA	Yes	No
HRA	Yes	No

*Source:* Kerala Finance Dept., Data collected from G.P and Palliative care Nurse.

According to the new sustainable development agenda agreed by the UN member states in 2015 which is accepted by the ILO, equal pay for work of equal value is to be ensured. If this is made practical, the nurse working under the palliative care programme has to get a pay scale of 20,000-45,800 (Rs.) as well as other entitlements at present which is given to the Auxiliary Nurse-cum-midwife.

In order to get a clear picture of the working conditions, a case study of 2 Grama Panchayats, Panchayat A and Panchayat B in Ernakulam District was conducted. The major findings are as follows:

### *Case Study 1*

In Panchayat A, the total number of patients registered under the primary level palliative care programme of the Panchayat till now is 1,585. At present there are 350 patients under this programme. This includes patients with all kinds of diseases like cancer, stroke, kidney failure, old age people, etc. There are patients who also need physiotherapy, dressing, counselling, etc. The palliative care nurse in this Panchayat has to cover all these patients in a month. Even assuming a minimum of just one visit in a month, covering 350 patients in 16 days mandates nearly 22 visits per day which is practically impossible. While the time spent per patient may be around 15 minutes for patients who do not need much care, it can go upto one hour for patients who are terminally ill. Need for more frequent visits by some patients adds to the workload of the nurse. Even when they stretch their service to the maximum, the number of visits they can make per day is 14-15 which necessitates at least 24-25 days of work per month which is equal to the number of working days of a full time permanent nurses.

Estimation of time worked per working day revealed that, though provision of transport by the Panchayat minimised travel time from the house of one patient to another, an average of minimum half an hour is required to assist one patient when we add up the time for travel as well as provision of minimum care of 15 minutes



duration. Thus servicing 15 patients mandates a working time of minimum of 7.5 to 8 hours per day which is equal to the working time of staff nurse in health centres that is 8 hours per day.

There is a separate wing for psychiatry in this Panchayat. The fund for this project is not from the palliative care programme as it is a separate project. This includes both primary care (home visits) and secondary care (in health centre). There is a separate doctor for this project. But the nurse is the same as that of the palliative care programme. It creates additional work burden on the palliative care nurse. But she is not getting any extra monetary benefit for this extra work.

In the midst of COVID-19 pandemic, the team of palliative care nurses also have got an additional duty to take antigen test on Sundays in addition to their regular responsibilities.

The palliative care nurse working in this Panchayat at present has a qualification of ANM. She has a total nursing experience of 23 years in which 8 years are in palliative care services. Even after the qualification, experience and the heavy duty performed by that nurse, she is not provided with any additional allowances other than salary which is very less as compared to the other government employees. And she is also facing a mental stress of job insecurity since the job is not a permanent one.

### ***Case Study 2***

In Panchayat B, the total number of patients registered under the primary level palliative care programme of the Panchayat till now is almost 1,500. At present there are 180 patients under this programme. The category of patients is similar as that of Panchayat A. There are patients who frequently need physiotherapy, dressing, counselling, etc. in this Panchayat also. The nurse here also has to make 16 days of home visits in a month and has to cover minimum 8 patients in a day. She is a GNM qualified nurse with an experience over 20 years (in which 5 years are in palliative care services). She is facing less work pressure compared to her counterpart in the previous local Government but presence of patients requiring multiple visits results in her workload being more than what such prima facie data reveals. As in the case of Panchayat A, she is also having the duty to take antigen test on free days. She also reported feeling the same sense of job insecurity as that of the nurse in Panchayat A.

## **7. Conclusion**

Care workers share distinctive characteristics: in providing care they engage with care recipients, frequently in sustained care relationships; they display a range of skills, although these are frequently neither recognized nor remunerated; they frequently experience tensions between those they care for and the conditions in which they have to provide care. There are 941 Grama Panchayats in Kerala and

as per the rule there should be one female nurse for palliative care programme. The actual impact of the palliative care programme is beyond quantitative measurement. The success of all palliative care programmes in Kerala can be mainly attributed to the sincerity of the palliative care nurses involved in the programmes. However despite relevant qualifications, experience and workloads beyond statutorily specified levels, the payments and entitlements they get are much lower than that given even to the lowest employment categories in a local government. Basic tenets of decent work such as fair income, security in the work place, social protection, better prospects for personal development are all beyond the reach of this critical segment of workers. Since poor job quality for care workers leads to poor quality care work, this may in the long run prove detrimental to the well-being of those who receive care as well as those who provide care and undermine the achievements made so far. Thus, Kerala which is a role model for rest of India as well as many other countries in providing care to terminally ill, now needs to focus on ensuring that care is provided within decent work framework so that service providers who form the integral link in this service delivery benefit along with the beneficiaries.

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**Appendix**  
**Category of Posts with the Existing and Revised Scales of Pay in Panchayats**

Sl. No	Name of Post	Existing Scale of Pay	Revised Scale of Pay
1	Director of Panchayats	IAS	IAS
2	Additional Director of Panchayats	81000-117600	112800-163400
3	Joint Director of Panchayats/Secretary (KREWS)	77400-115200	107800-160000
4	Chief Registrar	77400-115200	107800-160000
5	Deputy Director of Panchayats/General Manager (Gramalekshmi Mudralayam)	45800-89000	63700-123700
6	Assistant Director of Panchayats	42500-87000	59300-120900
7	Provident Fund Accounts Officer	40500-85000	56500-118100
8	Secretary Grama Panchayat /Performance Audit Supervisor/ Senior Superintendent (HG)	40500-85000	56500-118100
9	Secretary Grama Panchayat /Performance Audit Supervisor/ Senior Superintendent	36600-79200	51400-110300
10	System Manager	-	51400-110300
11	Assistant Secretary / Junior Superintendent (HG)	35700-75600	50200-105300
12	Assistant Secretary/ Junior Superintendent	30700-65400	43400-91200
13	Publicity Officer	30700-65400	43400-91200
14	Librarian (Sel.Grade)	30700-65400	43400-91200
15	Librarian (Sen.Grade)	27800-59400	39300-83000
16	Accountant	-	39300-83000

Sl. No	Name of Post	Existing Scale of Pay	Revised Scale of Pay
17	Librarian	22200-48000	31100-66800
18	Health Inspector Gr.I	25200-54000	35600-75400
19	Health Inspector Gr.II	22200-48000	31100-66800
20	Pharmacist	22200-48000	31100-66800
21	Auxiliary Nurse- cum – mid-wife	20000-45800	27900-63700
22	Junior Bill Collector	17000-37500	23700-52600

Source: Finance Department, Report of the XI Pay Revision Commission.

### Common Category

Sl. No	Name of Post	Existing Scale of Pay	Proposed Scale of Pay
1	Administrative Assistant	42500-87000	59300-120900
2	Fair Copy Superintendent	30700-65400	43400-91200
3	Head Clerk	27800-59400	39300-83000
4	Senior Clerk	25200-54000	35600-75400
5	Clerk	19000-43600	26500-60700
6	Typist Selection Grade	27800-59400	39300-83000
7	Typist Senior Grade	26500-56700	37400-79000
8	Upper Division Typist	25200-54000	35600-75400
9	Lower Division Typist	19000-43600	26500-60700
10	Personal Assistant	39500-83000	55200-115300
11	Confidential Assistant Senior Grade	30700-65400	43400-91200
12	Confidential Assistant Gr I	27800-59400	39300-83000
13	Confidential Assistant Gr II	20000-45800	27900-63700
14	Selection Grade Driver	27800-59400	39300-83000
15	Senior Grade Driver	22200-48000	31100-66800
16	Driver Gr I	20000-45800	27900-63700
17	Driver Gr II	18000-41500	25100-57900
18	Mechanic	18000-41500	25100-57900
19	Full Time Sweeper	16500-35700	23000-50200

Source: Finance Department, Report of the XI Pay Revision Commission.

**Health Service (Municipal Common Service)**

<b>Sl. No</b>	<b>Name of Post</b>	<b>Existing Scale of Pay</b>	<b>Proposed Scale of Pay</b>
1	Health Officer Grade I	77400-115200	107800-160000
2	Health Officer Grade II	68700-110400	95600-153200
3	TB Specialist	42500-87000	59300-120900
4	Health Officer Grade III/ Assistant Health Officer (Corporation)/ Medical Officer	39500-83000	56500-118100
5	Lady Medical Officer	39500-83000	56500-118100
6	Veterinary Surgeon	39500-83000	55200-115300
7	Homoeo Medical Officer	39500-83000	55200-115300
8	Medical Officer (Ayurveda)	39500-83000	55200-115300
9	Health Supervisor	35700-75600	50200-105300
10	Health Inspector Grade I	30700-65400	43400-91200
11	Health Inspector Grade II	29200-62400	41300-87000
12	Junior Health Inspector Grade I	26500-56700	37400-79000
13	Junior Public Health Nurse Grade I	25200-54000	37400-79000
14	Radiographer	22200-48000	31100-66800
15	Lab Technician	22200-48000	31100-66800
16	Pharmacist Gr II (Allopa- thy)	22200-48000	31100-66800
17	Junior Health Inspector Grade II	22200-48000	31100-66800
18	Junior Public Health Nurse Grade II	22200-48000	31100-66800
19	Pharmacist (Homoeo)	20000-45800	27900-63700
20	Pharmacist (Ayurveda)	20000-45800	27900-63700
21	Compounder	18000-41500	25100-57900



Sl. No	Name of Post	Existing Scale of Pay	Proposed Scale of Pay
22	Cleaner	17000-37500	23700-52600
23	Mazdoor	17000-37500	23700-52600
24	Mosquito Control Maistries & Workers	17000-37500	23700-52600
25	Female Attendant	16500-35700	23000-50200
26	Lady Assistant	16500-35700	23000-50200
27	Sanitary Worker	16500-35700	23000-50200

Source: Finance Department, Report of the XI Pay Revision Commission.

## **COVID-19 Induced Reverse Migration: Need for Skill Enhancement for Sustainable Development in Uttarakhand**

**Meghna Joshi\***

*Migration is an important livelihood activity that has evoked scant interest in strategies on development and policymaking. The migrant workforce forms an important cog in the wheels of the national economy but remains unorganized and is left to fend for its own as noted during the COVID-19 pandemic. Extensive outmigration from Uttarakhand is related to the geographic diversity-related inequality in development and employment opportunities. Prevalent dismal conditions in the hill districts persists, as observed by the desire of the majority who undertook the harrowing Covid-19 induced reverse migration to return to their previous destinations. The current review emphasises the significance of skill development programmes in the hill areas of Uttarakhand for better employment opportunities and controlling the outmigration. The participation of the NGOs to run these programmes and mentor the youth for better career options is suggested. Policy initiatives which identify migration as a productive economic activity and situate migrant workers as legitimate employees of the state would benefit both.*

**Keywords:** Migration, Reverse Migration, Sustainable Development Goals (SDGs 2030), Skill Development

### **1. Introduction**

Historically, migration of the workers is linked to the development process. However, opinions differ on its ultimate impact on the source area, the migrants themselves, and their new place of occupation. Migrant workers in India constitute a significant portion of the population that moves from the place of the domicile to other locations in search of better livelihood. A vast majority of them come from the underprivileged communities of rural India, including the households below the poverty line, landless agricultural laborers, and marginal farmers. The sustainable development goals (SDGs - 2030) vide the target 8.8, calls for enabling a safe and secure working environment for all workers including the migrants. However, a completely contrasting situation appeared during the current pandemic (Messerli Peter, et al. 2019). The migrant workers are those who reach a particular destination for better employment opportunities. The reasons behind their movement away from the source could be social, economic, political, or environmental. It is well known that large-scale outmigration has impacted the northern state of Uttarakhand, with nearly 1700 ghost villages in

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the hill districts having no population. Taking lessons from the stressful reverse migration of the migrant workforce during the pandemic, this article focuses on the efforts to be made in the next ten years to achieve the targets of the SDGs 2030 to provide a decent working environment to the youth. Innovative skill development programmes in different competencies in the source regions is critical to deter distress migration and improve migration outcomes.

Factors determining the decision to move, the choice of a new destination, and the accessibility are often complex and critical. Migration is studied from the census data, but even in official records the emigrant is rather flexibly defined. Usually, the definition of the migrant is based on the domicile, the last place of residence, or a deviation from it. However, such a characterization puts a severe constraint on understanding the issue of short term migrants (Castelli, 2018).

## 2. Migration and Development

In the Indian context, Uttar Pradesh, Bihar, Jharkhand, Odisha, West Bengal, and Rajasthan are the major source states of migrants, followed by Madhya Pradesh, Uttarakhand, Jammu and Kashmir. The major destination states are Delhi, Maharashtra, Tamil Nadu, Gujarat, Andhra Pradesh, Karnataka, and Kerala. The tradition or nearness to the source largely controlled migration from one state to the other. The main reason behind this unidirectional movement is that the development process in recent years has remained concentrated across some regions and a few states. It has widened the gap between agricultural and non-agricultural areas, between rural and urban regions and that has resulted in making better livelihood opportunities available in select spots. Another marked change in the migration pattern in the last few years is the interstate movement of workers to new growth centers in small and medium-sized towns. Such economic disequilibrium and seasonal employment opportunities have influenced the migration flows.

Reviews on the role of migration by de Haan (1999), McDowell, and de Haan (2010) shows that since ancient times people move in search of sustenance. However, the impact of migration is not given much attention in the studies on rural development. The historic perspective between the two has also been explained in the classic work of de Haas (2010) that outlines a vacillating relationship between development a list optimism and Marxist pessimism. This study delves more into the international ramifications of the host countries and the migrant-sending nations. It also specifies the Indian context, including the concerns on the brain drain and manpower loss. These apprehensions are now replaced by the appreciation of the contributions of the non-residents in fiscal, technological, and academic pursuits. The impact of the support of the international community of migrants is very apparent in the source countries.

Human mobility as a practice is linked traditionally to the socio-economic conditions, cultural and geographic aspects (Castelli, 2018). Political turmoils like

partitions, wars, and climate change are seen as important factors causing a mass exodus from the place of origin. Outmigration is also linked to various structural factors including poverty, geography, low opportunities of employment in the source, large scale or community level conflicts, subsistence or low-income farming. Climate change is being projected as an important cause of outmigration in the future. Livelihoods from large areas along the coastal tracts, fringe areas of the deserts, and the mountainous regions are going to be affected by it. The increasing frequency of extreme climatic events like cyclones, cloudbursts, glacier movements has increased the vulnerability of a significant chunk of the population resulting in outmigration from the prone areas.

However, it appears to be a complex phenomenon wherein it is difficult to project the trends and the quantum without analyzing the community, region, or country-specific traditions and practices. It also ultimately boils down to the status of the household unit or a specific individual. Under the same circumstances, a situation may occur wherein in a single neighborhood, one individual might prefer to leave and the others would continue to stay (Ghosh, 1992).

The relevance of outmigration in the Indian context can also be perceived by the perusal of history that suggests some states to be the traditional hubs of outmigration. deHaan (1995, cited from McDowell and de Haan, 1997) mentions that migration from Bihar to erstwhile Calcutta (Kolkata) existed from the middle of the 18th century. The main reasons were the relative poverty in the source supported by the continuity of the tradition. This practice has led to the formation of labor migration corridors between the states and there exist quite a few in India. Historical antecedents form a major migration channel with information on employment opportunities garnered from the family network. Mitra (2010: 3) observes the emergence of non-kinship ties as a major source of information on employment in urban labor markets.

It is difficult to assign a proper nomenclature to the migrants based on the duration of their movement, cause, or type of the movement McDowell and de Haan (2010: 10). Whatever may have been the reason for their mobility, the migrant workers have become an intrinsic component of the urban population. Life in the cities has become so much dependent on their availability that their actual worth was felt during the pandemic imposed lockdown. Leaving aside the infrastructural and the agricultural sectors where the migrants are present in the large masses, the service sector of the cities and urban clusters is also being managed largely by the migrant as the frontline workforce.

Presence of the migrant population in a particular place could be either by choice or compulsion. However, it appears to be a win-win situation for the source region and the destination. Remittances by the migrant workers to the source are a regular feature resulting in the prosperity of the individual household and the region. The destinations are benefited as the cheap migrant workforce makes the projects cost

efficient. An optimistic opinion describes it as an opportunity towards earning more, better life for the individuals and the households. The movement away from the source opens chances of availing better educational and healthcare facilities. However, the actual picture of this optimism is a matter of debate and needs further research. On the pessimistic count, it is a sad story for the migrants of overexploitation, appalling living conditions, and rare chances of availing the better facilities. The migrants lack any recognition from the state and are on their own or supported by the hiring agency. Lack of suitable identification documents often makes them susceptible to cheating and fraud. The urban population admits the dependency on them expressing it with sympathy showered on the economically weaker class. There is also a hostile feeling for them for being outsiders and slum creators (de Haan, 2000).

### 3. Uttarakhand - A State Affected by Intense Migration

The mountainous state of Uttarakhand is located in the northern part of India. It was carved out from the erstwhile Uttar Pradesh in November 2000 to fulfill the long pending aspiration of the hill people. The bifurcation also promised better administration and a faster pace of development. Uttarakhand forms a part of the geo-dynamically active Himalayan region with rugged hill area (46035 km<sup>2</sup>), about six times more than the plains (7448 km<sup>2</sup>). The hilly terrain occupies ten out of the total thirteen districts in the state. It is essential to highlight the geographic contrast to further distinguish the livelihood opportunities in these two dissimilar locales and examine the trends of migration. Uttarakhand has a literacy rate of nearly 80 per cent that is higher than the national average. (<https://uk.gov.in>). It is one of the most sought-after tourist destinations of India, an important pilgrimage hub, and the originating point of major perennial rivers.

The development process in the state has remained largely confined to the plains. The dreams of the hill districts for better employment avenues, infrastructural facilities, electrification, and healthcare systems are yet to be fulfilled (Mamgain and Reddy, 2015: 4-10). The net result of the unequal development resulted in a downward interstate outmigration from the hills to the plains and other states in search of better opportunities. The educated and uneducated youth have taken the plunge for greener pastures. The outmigration has not only affected the youthful population but even the households have moved off to the new destinations.

It would be pertinent to mention here that outmigration of the males from the hill districts of Uttarakhand had been prevalent for the past several decades. Initially, it involved the male population and was aimed at acquiring higher education and better employment. Later, the households started migrating to earn more and to avail themselves of the facilities in the cities in contrast to a frugal and difficult lifestyle in the hills. But throughout this period, there was a strong linkage between the individuals or the satellite families with the villages in the source region. Such practices of multiple earning have done well for Uttarakhand in the past and are

so characteristic of the backward economies. However, this trend has changed with entire households migrating and settling down in different destinations, abandoning or leaving a sparsely populated village.

In the past, remittances to the native villages of migrants had been low but steady as the families stayed in the villages. The migrant male community used to contribute regularly to the wellbeing of the family at home and the prosperity of the village. Slowly, with the outward movement of the entire household, remittances to the remaining extended family became sporadic and event-based. Ultimately, with the entire kinship tree getting settled in the new destinations, remittances to the native places dried down. There are reports of outward movement of the male population-related economic independence and empowerment of womenfolk in the villages (Joshi, 2018: 10-11). The net result of the outmigration has rendered over 1148 unoccupied villages (Uttarakhand Govt. Portal) and there are several more with two-digit population. Media reports sourcing the RTI generated information show that over 5 lakh people have migrated out of Uttarakhand in the last 10 years. There are 734 ghost villages in the state and 3946 such villages from where people have migrated 'permanently' leaving land and homes (The New Indian Express, 17 January 2021). Based on the Census 2011 reports, Awasthi and Mehta, (2020) mention this number as 1458 (1053 with no inhabitants +405 with a population of less than 10).

#### **4. Employment Opportunities in Uttarakhand**

Agriculture plays a major role in the Uttarakhand economy with almost half the workforce (49 per cent) engaged in it. The current situation is likely to prevail as the amenities and opportunities have not improved even after the setting up of a Palayan Aayog (Migration Commission) in 2017. The majority (68%) of the people who returned during the current pandemic facing a harrowing time will migrate again (Awasthi and Mehta, 2020).

An attempt to tide over the current dismal situation of employment opportunities in Uttarakhand can be through the skill enhancement process. The government is planning to open up several new vistas of opportunities in the state through its approved welfare schemes of employment (Mamgain and Reddy, 2015: 21). The efforts by the Government in the agriculture sector are focused on cooperative farming. It may resolve the issue of subsistence farming arising out of small landholdings. Plans to promote animal husbandry through encouragement to the rearing of cattle herds and cooperative dairy farming are also in the pipeline. Modernizing the conventional pisciculture, encouraging herbal and aromatic produce, introducing innovation in sericulture are being thought of by the Government. Promoting tourism through homestays is another option to enhance the earning capacity of the residents and stop migration (Rural Development And Migration Commission, Uttarakhand, 2019).



Revival of the traditional tea cultivation of Uttarakhand and introducing coffee, cocoa, and vanilla plantations are attractive options for cash crops. The ongoing soya cultivation of the state can be increased with value addition through the manufacture of granules and tofu. Bee-rearing can be promoted as a cottage industry and farming of roses, orchids, and other exotic flowers can be encouraged to generate additional income. The high-cost varieties of apple, apricot, and peaches can be introduced in the orchards of the high-altitude areas.

Clean air, low temperature, and human resources are three essential requirements for the precision industries. Ecofriendly manufacturing industries for electronic and telecom components, mobile phones, TV sets, and solar panels can come up in partnership in the hill districts. Employment can also be generated in the retail industry by opening up superstores. The scenic beauty and the panoramic destinations of the state can be used for generating employment opportunities through the entertainment industry by opening up shooting and film-making hubs. Tourism being the major attraction of Uttarakhand, state-of-the-art hospitality training institutes can be opened to solicit students from all over the country and abroad. The hill districts also need training institutes for nursing and medical attendants besides the facilities for training in digital literacy for the school students and youth. Adventure tourism and mountaineering facilities available in the state can be utilized to their best for employment and revenue generation. It may be mentioned that migration is not only directed towards gaining better livelihood opportunities. It is also being prompted by the wish to avail better educational and health facilities (Awasthi and Mehta, 2020: 1107). Therefore, quality institutions in these two sectors must be opened in the state on priority.

All these focused efforts would require skilled people in different disciplines. So the skill development of the youth in the proposed areas must be started in the right earnest. There is also a dismal connection between formal and vocational education, therefore training centers with experts should be a priority. Training provider NGOs/Social Enterprises can play a big role in meeting this challenge. Fostering and incubating programs on skill development for the youth also has relevance in the context of the proposed sustainable development goals. The SDGs-2030 advocate technical, vocational education training (TVET), and decent work opportunities for promoting inclusive and sustainable economic growth and helping young adults (McCourtie, 2019). Therefore, the Government agencies and the corporate sectors should work in tandem to fund and support the experienced entrepreneurs in opening up quality training centers in the hill districts.

## **5. Policy Support**

COVID-19 induced return migration to Uttarakhand showed that the low-income migrants suffered financial, physical, and mental stress due to the closure of industrial and infrastructural activities. A majority of these were salaried employees, daily wage workers, and self-employed persons. It became

a nightmare for them to run the households, pay for the rented accommodation, and spend on healthcare in penniless conditions under the constant threat of the coronavirus. They were on the roads with limited options for survival under uncertain circumstances. The prevailing conditions made the migrant workers hit back to the native places. It may be noted that this distress migration back to the source during the pandemic was only for survival and not a sustainable activity under the prevailing circumstances. Starting from scratch for subsistence in the source after many years of absence may not be a simple task. This group is likely to return as the conditions become normal.

So, something needs to be done to provide a decent living and working environment for the migrant workforce? This youthful workforce has a lot of resilience and energy that can be utilized in nation-building activity. However, it requires a change of mindset in recognizing the act of migration and providing it policy support. Migration should not be considered as an anomalous lifestyle pattern disrupting normal societal life. On one side it is an aid to the development, agriculture, and mining activities whereas on the flip side it is projected as a burden on society. Migration should be viewed in terms of the people's right to move to greener pastures in search of sustainable development. The mobility of the population has a long tradition and has made enormous contributions to the source and the destination. Migration requires a place in development and agricultural planning so that its negative impacts can be eliminated or reduced with policy support.

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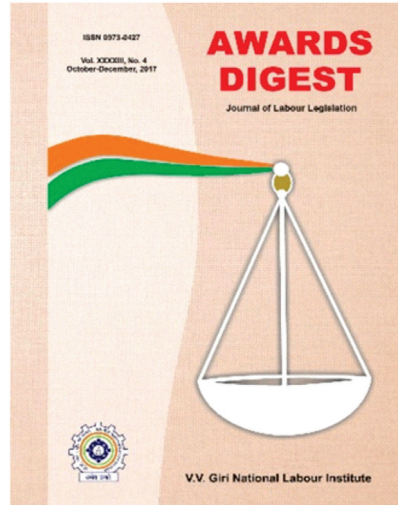
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