

Thinking Growth or Thinking Employment?

An Outline for an Inclusive Labour Market in India

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Introduction¹

There has been much talk about India's growth; both in terms of the high rates of GDP experienced over the last many years and the fact that the economy had been growing at a time when the world was experiencing a slowdown. Notwithstanding the fact that the measurement of growth in India has recently been contested (see Nagaraj, 2015), most mainstream commentators suggest that on the growth front the introduction of economic reform has been a resounding success. There are a few commonly identified positive features. Gross domestic product (GDP) has grown 6.3 times today in comparison to its size in 1991; foreign exchange reserves as well as the current account deficit and the Centre's outstanding liabilities are in better shape; the composition of exports has changed. We now have lower import tariffs, and access to a larger number of consumables—television sets, automobiles and mobile phones. Remittances from abroad have grown. Though mainstream writings identify certain negative consequences associated with the reforms—uneven growth, social and economic inequality and at times, privatisation of natural resources—the two facets of growth are seldom seen in any interconnected way and the popular implication drawn is that if we continue with the reforms process, it is only a matter of time that the corrections made will address the negative impacts.

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Despite the aforementioned sharp rise in GDP growth rates, the dismal performance of the economy when it comes to employment generation remains a disconcerting feature of India's post reform narrative. Large sections of the post reform period have been marked by either a fall in the rate of employment growth or an absolute fall in employment levels leading to the use of the term, 'jobless growth'. 'Growth' no longer seems to be creating employment (see Figure 1). Available empirical evidence unambiguously points towards an overall slowdown. In particular, the last couple of years have seen an absolute decline in the growth of employment, a fact that has been highlighted many times over by several commentators. This has led to official reactions that would have been regarded as clumsy had they not been so overtly dangerous – the standard response has been to criticize the methodology of surveys that give us information on the labour market², often accompanied by scrapping of said surveys and indulgence in vacuous reasoning such as "*how can there be growth without employment being created*". It would not be far from the truth to describe the government's response as one of being in denial.³

² India's statistical system is widely commended as being exceptional among developing countries, and being robust overall. There are problems such as the frequency of data collection, but the process as a whole is built on solid foundations.

³ For a more detailed description of the government's response on the jobs debate, see CES (2018), *Making Do – High Growth and Chronic Underemployment in India*. New Delhi.

As Basole and Jayadev (2019)⁴ have argued, there is now a fully established politics of unemployment in India.

The reason for stating the seemingly absurd response of the government to a serious crisis upfront is that it allows us to highlight the disconnect between what can be called an obsession with 'growth' and the needs of ordinary people, such as having an adequate number of decent quality remunerative jobs. We argue that this obsession with 'growth' is an effect of the strategy of economic development being pursued in India, and globally, for the last three decades. There is a need to elaborate on this disconnect in the coming pages. Presently we elaborate our position on the nature of what is at stake and what the current scenario is. Before moving on to a study of the current scenario however, it is necessary to elaborate the reasons as to why the employment question occupies an entire chapter in a volume centered around the idea of a 'public good'.

Studies on employment are carried out to inform us about changes in the labour market. While these often tend to be technical studies, depending on where one is situated – policymaker, academic, industrialist – one may or may not be interested in the findings of the same. There is however a broader reason for studying employment and work for all concerned irrespective of one's social location. This is because work has a signal importance in modern society, primarily for two reasons. The first is the obvious one. In modern society it is through work, or employment, that one can acquire the means of sustenance, of material and social reproduction. Thus, the way in which work is organised and becomes available to people is of fundamental importance. The second reason, drawing on critical traditions of social science and philosophy, is that it is through work (or labour more appropriately) that in modern society human beings can find self-realisation. Much of our identity, our sense of self, our relation with other humans and with the natural world around us is shaped through labour. This is meant not just in an individualistic sense, but in a collective sense and hence has social and political implications. A study on work or employment then, must bear in mind its relevance for addressing these

4 Jayadev, A., & Basole, A. (2019, April 3). The Employment Question in India. Retrieved from <https://www.theindiaforum.in/article/employment-question-india>

questions. Thus, although at first sight mundane, the import of an analysis of questions of employment in a modern society is multi-axial, as it cuts across several socioeconomic and political concerns.

Keeping the above in mind, the following chapter tries to address certain key questions revolving around the employment question, namely what is the current trajectory of employment growth, who stands to gain and who is excluded from the same, the mechanisms and processes that account for this and lastly the recommendations with some examples of best practices. As part of this exercise, we will be focusing on contextualising the current employment crisis in the Indian economy in its historical-developmental trajectory, discuss the current scenario in the context laid out and move to consider alternatives; ways of getting beyond the undesirable rut we find ourselves in.

The Current Employment Scenario

I. Overall Decline with Unemployment rates highest in 45 years

According to Abraham (2017)⁵, India's employment growth which had been registering a slowdown since 2004–05, has in the past five years began to be characterised by a negative growth rate (an absolute decline in employment) with much of the same taking place in the unorganised sector of the economy. The organised sector has on its part witnessed a sharp decline in the growth of employment. The stagnation, according to the author's estimates, has been widespread, affecting almost all the sectors of the economy. The Consumer Pyramids Household Survey (CPHS) undertaken by the Centre for Monitoring the Indian Economy (CMIE), confirms the same, noting that around *1 crore people lost their jobs in the year 2018 with the total employment falling to 39.69 crores in December, 2018.*⁶ Himanshu (2019)⁷

5 Abraham, V. (2017). Stagnant Employment Growth Last Three Years May Have Been the Worst. *Economic and Political Weekly*, LII(38), 13-17.

6 See <https://www.financialexpress.com/economy/1-crore-jobs-lost-in-2018-unemployment-rate-hits-27-month-high-in-december-says-cmie-key-things-to-know/1435748/> accessed on 21.1.19

7 Himanshu (2019, August 1). The seriousness of the problem of unemployment in India. Retrieved from <https://www.livemint.com/opinion/columns/opinion-the-se->

has recently argued that the total number of workers in the economy which was 472.5 million in 2011–12 has fallen to 457 million in 2017–18. *There has been an absolute fall in the number of workers by 15.5 million over six years*

Our own analysis of the NSSO Employment–Unemployment Surveys (55th, 61st and 68th rounds), the 5th Labour Bureau Survey and the 2017–18 Periodic Labour Force Survey (PLFS) confirms the trends that have been observed by Abraham and the others above. For one, *worker participation rates (WPR) have been falling for both the rural as well as urban sectors of the economy*. Particularly, with respect to the rural workforce, there has been a fall of close to 10% between the years 2011–12 and 2017–18 (See Figure 2). According to Kundu and Mohanan (2019), this fall mirrors the rise in rural stress which appears to have shrunk employment opportunities⁸. We also note that worker participation rates of both males and females continued with the downward slide that they have been exhibiting since 2004–05, falling even further in 2017–18 (see Figure 3). Urban females in 2017–18 had the lowest WPR at 18.2% while the corresponding rate for their rural counterparts was 23.7%⁹. *Consequently, we note that the unemployment rates (UR) in both rural and urban India has been at its highest since 1972*. (See Table 1)

II. Sectoral Analysis: The crisis in agriculture and tertiarisation of the economy

In terms of sectoral distribution, we find that agriculture and allied activities continue to have the maximum share in the workforce and employ more than 188 million persons though this share has been steadily reducing over the years (See Tables 2 and 3). From accounting for roughly 70% of the work-

riousness-of-the-problem-of-unemployment-in-india-1564679281965.html

8 Kundu, A., & Mohanan, P. C. (2019, August 13). Looking beyond India's headline unemployment number. Retrieved from <https://www.livemint.com/politics/policy/looking-beyond-india-s-headline-unemployment-number-1565679302716.html>

9 It is to be noted that these figures were obtained on the basis of the 'usual status' definition of employment which also takes into account the rather lenient subsidiary status understanding which considers as employed even those who were engaged in an economic activity for just a month in the previous 12 months.

force in 1981, the sector's share has reduced to 43% in 2016–17, while its share in GDP has fallen dramatically from 42% to merely 15%. This shows that the sector of the economy where most people find work is characterised by low productivity. The fact that Indian agriculture is in a crisis is not news. To begin with, agriculture has been a sector marred by vast inequality as far as landholdings go. Since independence, owing to the failure of addressing the land question, Indian agriculture has witnessed a skewed land-holding pattern. The stark difference has reduced in recent years (due to increase in population) but has been accompanied by a great proportion of people moving from the ranks of cultivators (who had rights over land) to becoming labourers. The proportion of cultivators had reduced from 72% in 1951, to 45% by 2011 while the proportion of agricultural labourers increased from 28 to 55% in the same time period. (See Table 4) Furthermore, there has been a great increase and consolidation in the category of small and marginal holdings. They make up 87% of all holdings and account for only 43% of the area. On the other hand, medium and large holdings making up only 5% of households account for 34% of operational area. This picture of inequality in the agrarian structure has persisted and has only got worse over time. Rural wages have also grown relatively slower compared to wages in urban areas and the Gross National Income trend. (Basu, 2018)

The wage gap is the driver for the large quantum of circular labour migration observed from the distressed agricultural sector to the informal economy, particularly in hazardous industries like construction. This movement is not very well captured by official statistics, with internal migration figures disputed to lie anywhere between 40 million to 100million. The Census 2011 shows that more than 10% of the Indian workforce is in this category, meaning they survive by relying on activity in both agriculture and a variety of low income informal jobs with neither having levels of remuneration to provide for basic living. Srivastava (2011)¹⁰ pegs this figure at 29% indicating that a very high proportion of those who work poor quality jobs in the informal

10 Srivastava, R. (2011). Labour migration in India: Recent trends, patterns and policy issues. *Indian Journal of Labour Economics*, 54(3), 411–440.

sector are people who rely on agriculture as well as a means of sustenance.¹¹

The secondary sector, including manufacturing and construction prominently, has shown an increasing trend in employment share, from 14% in 1981 to 24% in 2016–17 primarily on account of the growth of low quality construction jobs in recent years. Manufacturing provides employment only to about 12% of the workforce, while the services segment has seen the greatest rise in employment share over the last 4 decades from 18% employment in 1981 to 33% in 2016–17. This has been in step with the changing production structure with the tertiary (primarily services) sector accounting for more than half the GDP at 54% in recent years, up from 36% in 1981.

Manufacturing and services are traditionally the high value sectors, the expansion and development of which signifies the advancement of economies. Economic liberalisation was supposed to lead to a spurt in activity in both of these sectors as dynamic private enterprise— which as the argument went had long been subdued by government regulations— would finally deliver spiraling growth. The results of the last 30 years show a much humbler performance. While the services sector has witnessed a boom, these are by and large in the low level ITES space giving India the label of being the back-office of the world. According to the SWI 2018 report, the surplus services sector¹² accounted for 55% of service sector employment while the social services made up less than a quarter at 23% and the new service economy only accounted for 15%. So while the service sector has a big contribution in value added, most of the employment generation in the sector has been in segments that offer poor quality jobs. This is important to register as it signifies that the services led growth is not causing a rapid change in the structure of employment from low-skill/value to high skill/value as might otherwise be projected.

11 For a discussion of internal labour migration statistics and specifically for an ethnographic discussion on labour migrants from the state of Bihar, see Roy's essay – *Denied the Right to Have Rights*, in this volume.

12 The authors of the State of Working India Report 2018, categorise the services sector into three parts – surplus (unorganized retail, hotels, transport and domestic work), social (education, arts, public administration, etc.) and new service economy (largely organized: big retail, hospitality, finance, ITES, BPO and security).

For its part manufacturing has more or less maintained its share in GDP at 13–18%¹³. Employment elasticity – the ratio of employment to GDP growth, in this sector touched 0.01 during the high growth years of 2008–09 when GDP growth was at its highest at close to 9%. A high growth in GDP with a low growth in employment denotes that most of the GDP growth has been accounted for by a growth in labour productivity, and not by expansion in employment. In this sense, jobless growth is driven mostly by relatively high labour productivity growth, rather than employment growth. The distribution of the increased surplus however is highly skewed with labour getting an increasingly smaller share of the value produced. The share of wages in total Gross Value Added in organized manufacturing declined from 33% in 1980 to 13% in 2012. (Abraham & Sasikumar, 2017) This period was marked by increasing profit share of GVA with the largest firms recording the greatest decline in wage shares. Increased capital intensity of production and labour productivity rise has led to a decrease in absorption of labour in this sector. This is compounded by the imperatives of competing in a capitalist global market where firms survive by lowering unit cost of production.

III. Rise in in precarious forms of employment

Related to the above is the rise in precarious jobs within the traditionally defined organised sector of the economy. With the slowdown in recent years, we note that the overall size of the organised sector (as measured by the NCEUS definition using principal status) was roughly the same size in 2017–18 as it was in the year 2011–12 (see Figure 4). Worryingly, however, both the construction and the manufacturing sectors (albeit marginally) have actually reported an overall rise in the size of their unorganized segment employment during the aforementioned time period. It is also a worrying sign that overall the share of waged workers having a written contract and also being eligible for social security (what we term as being 'strongly formal' denoting the most secure jobs) has gone down during this time period. There has been, nevertheless, some movement away from informality with a rise in the share of workers

13 For a quick reference, see <https://data.worldbank.org/indicator/NV.IND.MANF.ZS?locations=IN>

having access to either of the aforementioned safeguards (here referred to as formal weak). Within the organised manufacturing sector itself, the share of contract workers has risen more than 2.6 times since the early reform years mostly at the cost of directly employed workers. (See Figure 5)

Overall, around 201 million workers still find themselves engaged in informal work and that is after we have excluded the entirety of the agricultural sector. In terms of employment type, we note that the share of self-employed workers in the non-agricultural workforce has come down by around 3.7% in 2017–18 but still remains fairly high at 35.3% (See Figure 14). This means that the traditionally considered positive impact of high value manufacturing jobs as a country undergoes economic development does not apply to the Indian case.¹⁴ Not only does manufacturing account for a small share of overall employment, its formal segment is even smaller. The impact of labour flexibility can be seen at work here with most of the jobs in recent years being of inferior quality and insecure terms.

IV. Fall in Public Sector Employment

A very important source for employment and a very crucial agency for driving economic growth is the public sector. This sector also provides job stability, even if at relatively lower incomes and hence is a hugely important factor in social mobility for people in a poor country like India. The astounding number of applications to government job openings gives one a sense of how narrowly based India's economic growth has been and how few opportunities for decent, remunerative employment exist in the country. Siddiqi & Bhattacharya (2019)¹⁵ in their paper talk about the sheer mismatch in the number

of government positions available and the number of applicants applying for the same. (see Table 10).

Given that employment figures for the public sector is difficult to capture as there are no standardized data set providing information on the same, we have taken reports of some of the major employers (in the public sector) and tried to piece together a narrative with respect to the employment situation. Whatever information we have been able to gather from official reports, as we shall note below, does not present a very happy picture.

- **CPSEs:** In Central Public Services Enterprises (CPSEs) for example, the number of non-contractual employees has fallen from 16.1 lakh employees in 2006–07 to 11.3 lakh employees in 2016–17, a fall of 4.8 lakh workers during a period of ten years. (See Figure 6)
- **Indian Railways:** One of the largest public sector employers also saw an absolute decline in employment during this period of time with the total number of employees employed by the railways falling by around 90 thousand persons between the years 2007 and 2017. (See Table 6). We note that during this period while there was an absolute increase in the number of Group A and C employees, a massive cut-back took place with respect to Group D workers which led to an overall fall in employment figures.
- **India Post:** We could access data for those employed by India Post only from the year 2012–13 onwards. From the same, we note that between 2012–13 and 2016–17, total number of employees fell for all the different worker categories with the number of gazetted officers falling at a compound annual growth rate (CAGR) of 5.3% while the number of non-gazetted staff positions fell at a CAGR of –2.3%. In total, there was an absolute decline of more than 18 thousand posts during this five year period. (See Table 7)
- **SBI, Other Nationalised Banks and Regional Rural Banks:** The same five-year period saw a fall of around sixty thou-

14 Traditionally, as a country transitions from agriculture to industry a substantial number of jobs are created in the manufacturing sector that are high value producing and also fetch higher wages. In the Indian case, the story is one of a sluggish transition with only a small manufacturing sector being established and even within that small scale activity dominates along with the more precarious forms of employment.

15 Siddiqi, U. J., & Bhattacharya, A. (2019). 'At Test-Prep Centres, Demographic Dividend Spent In Quest For Govt Jobs', IndiaSpend. <https://www.indiaspend.com/at-test-prep-centres-demographic-dividend-spent-in-quest-for-govt-jobs/>

sand persons—from 9.7 Lakh employees in 2012–13 to 9.1 lakh employees—employed in the State Bank of India, other nationalised banks and regional rural banks. (See Figure 7) Much of this fall took place amongst the clerical staff which saw a layoff of more than ninety thousand persons during this period. Officers on the other hand, have risen in number during the same time period by about fifty–five thousand persons.

Overall, we note that the story of job creation in the last couple of years has been a dismal one with WPRs falling and URs rising to a historical high. The bulk of the workforce remains employed in the agricultural sector which is undergoing a severe crisis and is marred by low productivity. Compounding the situation is the fact that more than four–fifths of the non– agricultural workforce is employed in informal jobs and the size of the organised sector itself has remained stagnant in the last six years. Whatever employment that has been created has been of a precarious nature. In absolute terms the number of persons engaged in the unorganized sector has in fact gone up. Most of the employment generated in the services sector has been in the surplus services segments that offer poor quality jobs. The manufacturing growth narrative has been propelled by productivity increase rather than employment generation. More than one third of all workers in non–agricultural activities, moreover, are self–employed.

Data, moreover shows that in the last couple of years, employment in the public sector has shrunk at an alarmingly rapid pace. There are not enough jobs being generated in the economy, which would partly explain the recent agitations by the Jats and Maratha youth for being included in caste based reservations for public sector jobs. Some of the major employers in the public sector, as shown above, have in fact rescinded a far greater number of jobs than that which would have been covered under the new ten percent EWS quota that was introduced by the Government of India.

Who is Excluded from this Growth process?

The discussion above leads us directly to the next section of this chapter where we try to locate who

exactly finds herself vulnerable and excluded from the nature of growth that is currently being pursued. The social segmentation of India’s labour market is well known. The role of social discrimination has been studied and established in access to jobs and levels of remuneration in different segments of the economy.¹⁶ Members of historically disadvantaged communities (officially represented as scheduled castes and scheduled tribes) have a lower chance of securing a job and their earnings are likely to be lower as compared to member of India’s privileged social communities (officially categorised as general, open or other). Dynamic economic growth is supposed to erode traditional social fault lines and the attendant social discrimination that comes with practices that sustain the same. This, however, has not been the case in the Indian experience. If anything, the growth witnessed in recent years has consolidated the existing faultlines and has arguably made them stronger. We can infer this from the following evidence and also from the fact that pervasiveness of informality accentuates the reliance on social and kin networks for an individual’s access to jobs.

(i) Marginalised Communities – SCs, STs and Minorities

The State of Working India Report (2018) shows the occupational segregation and wage gap for different caste groups for the most recent period. We reproduce here two graphs from the SWI 2018 to drive home the significance of the point. (See Figures 8 and 9)

As the authors of the report have argued, SC as well as ST groups find themselves over represented in low paying occupations and severely under–represented in the high paying ones. On the other hand, representation of upper caste groups steadily increases with earnings associated with an occupation. The latter, they note are generally over–represented among professionals, managers, and clerks, that is, occupations requiring higher levels of formal education. Thus we see that members of India’s disadvantaged communities continue to face structural bias as far as access to jobs is concerned and en-

16 See Papola & Kannan (2017), Thorat & Attwell (2007) and Das & Dutta (2007) for a review of some of this literature.

joy lower earnings than their upper caste counterparts. While this has been the case in the economy at large, one would expect a better representation in public sector jobs which provide for reservations for a large section of those hailing from disadvantaged groups. However, according to a recent report published by a leading English news daily, Scheduled Castes (SCs), Scheduled Tribes (STs) and, especially, Other Backward Classes (OBCs) are found to be under-represented in the higher echelons of the government — Group A and Group B — and most of its institutions.¹⁷ Detailing information received from Government agencies via the use of RTI, the report goes on to describe the current state of reservations in different segments of the public sector. As per the same, when it comes to central universities, RTI data shows that 95.2 per cent of Professors, 92.9 per cent of Associate Professors and 66.27 per cent of Assistant Professors¹⁸ are from the ‘Open’ category¹⁹. The share of ‘Open’ category persons (in the total number of Group A and B officers) in the Niti Aayog, UPSC, CAG and Cabinet Secretariat was found to be 73.84%, 64.76%, 66.79% and 80.25% respectively. OBC reservations seem to be the worst hit here with total OBC officers falling way short of the mandated 27%.

Data from the CPSE reports presents a similar story. (See Figure 10) While ‘Others’ formed 53% of the total employees in these public sector enterprises in the year 2016–17, OBCs formed only 19% of the same. The highest level of employees i.e. the Managers/ Executives saw the share of the non reserved personnel shoot up to 63% with both ST (6%) and OBC (16%) reservation falling short of the constitutional mandate while SCs just about managing the same. With respect to Central Government Services, once again we note that total OBC personnel falls short of the 27% constitutional mandate. (See Figure 11) Confirming the trends presented by the aforementioned news article, the majority of Class A (68%) and Class B (62%) officers here belonged to the unreserved sections. It is only in the category

of ‘safai karamchaaris’ that we note a much higher share (compared to their constitutional mandate) of SCs (45%) and a much smaller share of non-reserved category persons (33%). The situation of existing caste wise representation may also be getting worse in certain major segments of the India public sector. For example, in one of the country’s largest public sector employers, the Indian Railways, between the years 2007 and 2017, the share of Group ‘A’ officers who belong to the Scheduled Castes category has actually fallen from 15.12% to 13.48%. The situation is worse off in India Post where between the years 2012 and 2017, the overall share of SC employees has fallen from 17.38% to 16.84%. Similarly, comparing data obtained from the 68th NSSO EU round and the 5th EUS survey, we note that in the industrial category ‘Public Administration’ (NIC 841), the share of total SC candidates employed has fallen from 23.3% to 20.1%.²⁰

From the exercise carried out above, it becomes clear that not only is the public sector facing massive cut backs in total job creation, there are severe lacunae when it comes to implementing the existing reservation policy in public sector employment. Open category personnel still constitute a majority in the public sector workforce, particularly when it comes to Group ‘A’ and Group ‘B’ (read best quality) jobs. In some major sectors such as the Indian Railways and India Post, the share of SC personnel is falling with time. OBC reservation is woefully short across key public sector enterprises.

We have already talked about the persistence of a large self-employed segment in the economy. Breaking this further into religious groups we note that in 2017–18, when compared to people belonging to other religious denominations, Muslims reported a relatively higher percentage of those engaged in self-employment (44.6%). As Danish (2013) notes, Muslims report themselves as the biggest religious group within the urban segment to be engaged in self-employment and lowest amongst those belonging to a salaried class (which are the best category of jobs)²¹.

17 <https://indianexpress.com/article/education/reservation-candidates-are-under-represented-in-govts-upper-rungs-5540310/> Accessed on 21st January, 2018

18 Reservations are applicable at the level of Assistant Professors.

19 This may also include SCs, STs and OBCs who have not availed the benefits of reservation.

20 These figures would also include those who are employed as casual and certain categories of contractual workers for whom reservation might not be applicable.

21 Danish (2013, August 20) NSSO data: Why Indian Muslims rely on self-employment. Retrieved on 27th August,

(ii) Youth

The section that has been most vocal about job loss and lack of job creation in the economy has been the youth. Protests have been varied, ranging from spontaneous agitations against irregularities in government recruitment exams to more coordinated action and long term campaigns led by more organised groups associated with political and social movements.²² The reasons for this discontent are not far to seek. From our data analysis we note that the UR amongst the youth (15–29 years) was higher in 2017–18 than the preceding 18 years. While only 54 youths out of 1000 were unemployed in 1999–00, 178 youths found themselves unemployed in 2017–18. Unemployment Rates were furthermore, highest for the most educated youth with the rates for those educated upto ‘higher secondary’ being 21.1% and for those having an education status of ‘above higher secondary’ being a staggering 36.1%. It must also be noted that the UR of the educated youth are higher now than they have been since the turn of the century. (see Figure 13)

It is unsurprising that youth from different across social groups, feel the brunt of the jobs crisis unfolding in the country. Since the early 2000s, when the gross enrolment ratio picked up in higher education and with the implementation of the OBC reservations in 2010, public higher education institutions in India saw greater participation from members from social groups that hitherto had little access to them. Consequently, the number of youth with professional and general degrees increased.²³ This surge in candidates with formal degrees has been egged on by the propaganda of a growing economy. The perception of being able to benefit from this growth, for most such youth, unfortunately, has been shattered by the shrinking of job opportunities in the economy.

2019 from <https://www.firstpost.com/india/muslims-dont-get-jobs-due-to-bias-in-the-system-experts-1047351.html>

22 There is much reporting on this. For a quick sample see Pathak (2019) and Gupta & Pushkar (2019) in *The Wire*

23 See Satish Deshpande & Apoorvanand’s contribution in the previous volume of the India Exclusion Report for a detailed analysis of this phenomenon. The reservation policy in educational institutions has been effective in ensuring the participation of members from discriminated social groups in Indian public universities. But the lack of job creation in the economy has meant that most such youth have had to struggle and remain jobless for long periods of time.

(iii) Women

The social group to have recorded the largest decline in the labour force participation rate²⁴ in India is women. To begin with, women have displayed a low participation rate, which is also due to the fact that many household work activities (like fetching water, which takes up a lot of time especially in arid rural areas) not being counted as work. India has experienced an overall 8 point fall in FLFPR from 31.2% in 2011–12 to 23.3% in 2017–18. In rural areas, this fall is more than 11 percentage points.²⁵ Although the participation rate for rural men exhibits a similar trend, the drop for rural women is much steeper. This is resultant of the fact that women are not just withdrawing from the labour force but in areas where they are actively participating, they are facing tough competition by men. Moreover, as noted by Kishore (2019)²⁶, data from the PLFS round informs us that women with relatively higher education levels face a higher unemployment rate than men, while it is the other way round for education levels up to middle school level. According to his analysis, though fewer women are willing to join the labour market than men, the latter are paid more than the former. As per the PLFS study, the average wages for men are 1.2 to 1.7 times more than that of women depending on whether they are regular wage or casual workers in rural or urban areas. The biggest difference in earnings, notes Varma (2019)²⁷ is in the vast self-employed sector where women’s earnings are half of men’s in rural areas and 60% less in urban areas. This, according to him, is down

24 The LFPR is a highly significant indicator about the dynamism of the economy. It is a ratio of the sum of the number of people employed AND the number of people looking for work, with the total population. It is represented on a per 1000 basis. Trends in the LFPR of a specific group help us identify how well members of that group are participating in the economic activity in society.

25 Declining Female Labour Force Participation. (2019). *Economic And Political Weekly*, 54(16). Retrieved from <https://www.epw.in/journal/2019/16/editorials/declining-female-labour-force-participation.html>

26 Kishore, R. (2019, June 9). Waning women at work. Retrieved from <https://www.hindustantimes.com/opinion/waning-women-at-work/story-1v5eNLUCxJ7ibHikbRenEM.html>

27 Varma, S. (2019, June 15). More Women Are Out of Work, Reveals Govt Report. Retrieved from <https://www.newsclick.in/Unemployment-Women-India-Labour-Force-Survey-Report>

to the fact that self-employed workers usually have the women folk of the family assisting in the work, with hardly any demarcated earning. Also, many of the very small shops (like selling candies or tobacco products or vegetables) is left to women while the men go for other work. He notes that the main employment avenue for women in the self-employed category emerges from personal and other services which employ over 44% women in urban areas and about 9% in rural areas. These are all the maids, cooks, ayahs, housekeepers, sanitation workers, and similar service providers that smoothen the lives of urban families with disposable incomes. Women are also employed in large numbers in the care work sector where they work in the capacity of health workers, anganwadi workers, cooks in schools, nurses etc. As noted by a CES study conducted in 2014, most of these care workers are employed as part time workers (despite the full time nature of their jobs) and are rewarded with very low earnings (often below minimum wages) with no job security.

Growth Strategy and Precarity of Employment: Interconnections in the Practices of the State

In mainstream understanding, the Indian economy is one of the fastest growing in the world and has been one of the bright spots in the global economic landscape over the last two decades.²⁸ This rendering of the state of the Indian economy gives rise to fanciful talk about being an economic superpower and shaping the future of the world as growth continues. Looking at fundamentals however, we realize that the growth witnessed in India in the last couple of decades has had a narrow basis and has led to widening inequality in what remains largely a poor country. To put it summarily, India is a country of a majority of poor and low income earners, with a thin class of professionals who are in white collar jobs and a handful of business elites. We have not made the industrial transition as a whole and continue to be a predominantly agrarian country in so far as agriculture continues to be a mainstay for a majority of the workforce. The services segment has surged in recent years with a section of India's middle class

benefitting from access to tertiary education, populating its employee ranks. The manufacturing segment of the economy has not expanded its share in a long time and maintains a steady 11-15% share of GDP and a similar share of the workforce employed. In both, the services and manufacturing segments, the noticeable trend in the high growth years has been the rise of insecure employment terms. Outside this enclave of high value economic activity, India continues to be a predominantly agrarian country, with a vast number of smallholder agriculturists and petty producers along with labourers across the rural and urban informal sector. These people constitute the majority of the working people in India. So on the one hand we have a proportionally small, but in absolute terms (owing to India's large population) large class of professionals, and on the other we have a majority of the workforce associated with low productivity and low income work in agriculture and petty production in informal enterprises.

In this section we look at some of the key mechanisms that are responsible for the sustenance of the jobs crisis. Before we get into that, we highlight below two persistent characteristics of the Indian labour market.

Quality/Quantity: The persistence of what may be called, as a shorthand, the subsistence sector in the Indian economy has led many to argue that the real problem vis-a-vis employment is not the number of jobs but the quality of those jobs that are available. This argument points to the poor, often hazardous quality of most jobs and the very low wages that such jobs command which most working people in India do in order to make a living. This is certainly true for many works and there is a question of equity internal to this problem as most such hazardous jobs are done by people coming from disadvantaged social backgrounds. The very poor quality and low income offered by most jobs in India should not, however, take attention away from the fact that in recent years, the sheer capacity of job creation (of all kinds) of the model of economic growth being promoted in India has been called into question with the workforce contracting. So the sheer number of jobs, along with quality today are question marks on the jobs front.

Dualism: How do we grasp the simultaneous presence of very varied types of economic activity

28 See <https://www.businesstoday.in/current/economy-politics/india-to-remain-fastest-growing-economy-oecd/story/351765.html> for an example of this. accessed on 21st July 2019

in the same economy, with different types of workers existing side by side? A long held view sees the presence of the two types of employment arrangements discussed above – work in high income, high productivity secondary and tertiary sectors and low income, low productivity employment in the informal sector and in agriculture – as a sign of a dualistic labour market. The use of this lens to understand the labour situation often suffers from a flawed implication that this dualism as a stage in the life course of an economy. As growth takes place, the informal is supposed to erode and workers moved to the high value, high income formal sector. This would be a significant process in the classic transformation of a backward agrarian economy to one based on highly productive manufacturing and services activity. What we notice in the case of India is that the high value creating formal capitalist sector is organically linked and in good measure sustained by the presence of a vast informal and a depressed agrarian sector²⁹. The latter providing labour, goods and services at a low cost for a range of production functions in big firms as well as subsidizing the costs of reproduction for workers in the formal capitalist sector. Is the strategy for economic growth prioritising drivers that can help transition out of this situation? To answer such questions, we need to analyse the way economic development is conceived of and a strategy for achieving the same that is put into practice by the state. We will have to be keen to take note of the biases and shortcomings of the same if we are to move from the situation that obtains presently.

Getting prices right *or* the systemic squeeze on agriculture

With these details about the state of work in agriculture it is worth asking what impact did the pro-market strategy for economic growth have on agriculture. As mentioned earlier, there has been a lack of macro policy intervention in agriculture in recent years. Advocates of liberalisation argued for the opening up of the sector to global trade, which they argued would result in a correction of prices (artificially distorted thus far, to the detriment of the farmers), which would be beneficial for farm-

²⁹ Among others see Breman, J. (2013). *At Work in the Informal Economy of India*. Delhi: Oxford University Press.

ers as they reap the profits of comparative advantage. Getting prices right, by allowing exposure to global prices for inputs and output, was the mantra that would supposedly to create prosperity for an encumbered peasantry. This implied an end to state ‘interference’, in the form of input subsidies, price support, procurement, etc. Such actions on the part of the state were deemed harmful for the health of the sector.³⁰

A commonly observed manifestation of this change in strategy on the part of the Indian state has been the reduction in extension services and institutional credit. With the opening up of input markets, this has meant that the peasant becomes dependent on the input dealer or merchant for knowhow. Given the highly iniquitous nature of the countryside, the input dealer is often also the one who offers credit. The result is the situation that obtains, where small and marginal peasants who do not have the capacity to ride the fluctuations in commodity prices from season to season, become indebted to the input merchant.³¹

Compared to the 1980s that saw agricultural output grow by 3.45%, the next 15 years saw it plummet to the 1.9% mark with a recovery in the later years taking the rate back to above the 3% mark under UPA-2. This has come down again to below 3% under the current NDA regime’s tenure. Further, in the post reforms period, it is the small minority of the large farmers who have benefitted (Motiram & Vakulabharanam, 2011) at the expense of others as they have been able to diversify and extract income from other sources (Banerjee, 2017). This is at odds with the pre reforms period that saw the income of all other classes of farmers (as well as agricultural labour) increase at almost equal or mostly higher pace than that of large farmers.³² Therefore, even as

³⁰ Proposing amendments to land ceiling laws in order to promote land concentration for contract farming of cash crops to be sold in export markets, on the other hand, was just ‘good governance’ (and not interference).

³¹ Among others, see Vasavi (1999) on this.

³² Analysing the NSSO data on consumption from the 38th (1983-4), 50th (1993-4) and 61st (2004-5) rounds, Motiram and Vakulabharanam (2011) are able to show that during the 1980s the average consumption for all classes was increasing. The growth rate for classes other than the larger farmers was in fact much faster during this period. In the next period there is a reversal of this process where the growth rate for average consumption drops for all classes

agricultural growth has declined since the 1980s, a narrow upper section in the sector has grown faster than the rest.

To sum up, the pro-market strategy of economic development has not resulted in a structural transformation with the largest chunk of workers tied to poor, low income work in agriculture. The ownership patterns have shown greater inequality, with wages remaining lower than the national average. Furthermore the sector as a whole has witnessed a decline in the post reforms era with a spate of farm suicides having made Indian agriculture infamous.³³ However, the small segment of big farmers have fared better than the rest in this period while the vast majority are either locked in poor quality, low income work or are forced to migrate to find work in the urban informal economy providing cheap labour at unregulated worksites.

Industrial production under the imperative of capitalist globalisation

A technical analysis of industrial statistics tells us that capital intensity of production has increased and labour productivity has risen, with a decrease in absorption of labour in manufacturing. This however is not a naturally occurring fact; it is the result of a specific policy strategy, one in which the state facilitates capital accumulation between large private businesses while decreasing the scope of public ownership and participation in the economy. The reigning orthodoxy sees this as the only way for the economy to develop. This is compounded by the imperatives of competing in a capitalist global market where firms survive by lowering unit cost of production. As the relative importance of the external vis-à-vis the internal market increases under globalization, entering the intra-firm value chain becomes an important reason for favouring MNC investments. In so far as developing countries are concerned, they are usually able to penetrate foreign markets and the international distribution system by becoming a part of the established intra-firm

except for the large farmers for whom it increases from 1.65% in the first period to 1.87% in the next while the overall average rate of growth of consumption fell from 1.68% previously to 0.94% in the post reforms period. (We take consumption as proxy for income to make our point)

33 Over 3,00,000 suicides over the last two decades.

trade network. They try to achieve this by lowering the transaction costs for MNCs in their countries in one way or another, and the race to the bottom appears again in the guise of lowering the transaction costs for the corporations.³⁴

This has led to a situation where industrial employment has dipped in the economy and most of the jobs being created in the sector are ones with insecure terms and lower wages. A strong willed industrial policy could change this scenario with investments in specific labour intensive industries along with initiatives to create demand from the domestic market, but the interests of capital, particularly that of finance, has meant that the state keeps clear of any such intervention for fear of capital flight. The Indian state, especially in its current avatar, is not just abiding by this stricture, it has well and truly embraced big business as its closest ally. This does not bode well for India's workers as their interests are marginalised.

The obsession with fiscal deficit

The decrease in spending on extension services (as highlighted above) has been part of the larger objective of maintaining a fiscal deficit target—around 3.3% of the gross domestic product—which leaves little elbow room for the Indian state to incur heavy public investment which could boost demand in the economy. As Patnaik (2016)³⁵ notes the perennial existence of unemployment along with both unused capital stock and unsold food grains in the Indian economy is down to inadequate aggregate demand in the system. Of the four components that make up the same, government expenditure has been traditionally considered as the main autonomous tool

34 This is different from the strategy adopted by the successful late industrialisers such as South Korea. We learn from Amsden that achieving collective goals through the disciplining of capital was a highly important factor in states like South Korea being able to successfully industrialise. For instance, holding private firms accountable through what Amsden called “reciprocal control mechanisms”, foreign capital not being given a free run and exercising control over pricing. In short, the importance of an industrial policy. This is most certainly not the thinking in India. See Amsden, A. (1992). *Asia's Next Giant: South Korea and Late Industrialisation*. Oxford University Press. Delhi

35 Patnaik, P (2016). Why Do We Have Unemployment? Retrieved September 28, 2019, from https://peoplesdemocracy.in/2016/0313_pd/why-do-we-have-unemployment.

through which aggregate demand, and with it the level of output and employment could be increased. Keynesian economics, worried that the high levels of unemployment would lead to capitalism's doom had advocated "demand management" by the State to keep capitalist economies close to full employment, pinning their hopes on government spending as the key instrument to carry out the same. Under the neo-liberalism system, however, governments are expected to tailor their expenditure to their revenue and run only a small fiscal deficit that is acceptable to globalized finance capital. Government spending is no longer an autonomous instrument via which governments can intervene to raise aggregate demand. If the output is low, government revenue is low³⁶ and thus government expenditure is also low. This means that under the current economic orthodoxy, output cannot be raised through this tool. The limitation of this understanding is now being accepted even by the fiscally orthodox. The Economic Advisory Council to the Prime Minister is now recommending using fiscal expansion to get out of the current slowdown.

De-regulated Capital, Re-regulated Labour

As discussed earlier, a very small percentage of India's workforce enjoys labour protections, employment benefits and job security that comes with having a job in the organised sector. Recent years have also witnessed the increase of precarious jobs and informalisation in the organised sector. We also discussed that the wage share as a proportion of value added has been declining overtime. Yet, India's ruling elite have argued that it is the labour laws of the country that are holding back investment and growth! The falsity of the argument is clearly visible when one recognises that the implementation of these very laws had been diluted to the point of irrelevance.

For one, the number of labour inspections carried out have reduced drastically over the years. (See Figure 15). Labour Bureau statistics also reveal that the strength of the factories inspectorate staff is far from sufficient to carry out the required inspections. In 2013 in the state of Bihar, for example, there was one officer in charge of more than 1060

36 At the same time raising larger revenue by increased taxation of the rich is frowned upon under neo-liberalism

factories. Similarly, in the states of Andhra Pradesh, Rajasthan and Haryana, one officer was in charge of 646, 517 and 245 factories respectively. For many of these states, it would be physically impossible for the inspector to even organise one visit per factory per year. Given the decline in the number of inspections every year and the outlandish ratio of factories per officer in charge, it comes as no surprise that the Self-Certification Scheme (SCS) launched in many states has not done well in states like Punjab and Gujarat. The risks and the probability of getting penalised even for minor violations are higher under this scheme and the better alternative for the employer is to continue to remain under the usual inspection system where the costs of violation are lower as there is some scope for "managing things" to the advantage of the employer.

The other mechanism through which labour's position has substantially weakened is the marked shift in the judiciary's position on a number of key labour issues. Though historically given to pro-labour verdicts, of late, we note a growing number of judgments that blatantly favour the interests of capital and are in tune with the new policy regime adopted after the reforms³⁷.

The Indian state's stance vis-à-vis labour is much more in sync with the demands of capital today than it was ever before. Labour market flexibility is sought to be given the legitimacy of a developmentalist dictum, without any regard for the empirical situation and the power imbalance between employers and employees. A big push in this direction is being made by replacing numerous labour laws by four labour codes.³⁸ We highlight here some of the major criticisms of the changes made through the Code on Wages and the Occupational Safety, Health and Working Conditions Code as these two have been passed by the new government.

National Minimum Wage: The government is using the rhetoric that for the first time, all workers are being covered by a legal minimum wage and that this will reduce cost of compliance for employers.

37 For a detailed discussion see Sood et. al (2014)

38 The argument here is that labour laws in India are too many in number (44) and need to be *rationalized* for smooth functioning of industry. In effect however, what we see is that labour is being stripped off the meagre protections afforded to it in law.

This hides the fact that those employed in enterprises with less than 10 workers – according to the previous Chief Economic Advisor to GoI, Arvind Panagariya, about 75% of Indian workers fall in this category, will not be covered. Further, the minimum wage level is actually a destitution wage level at less than 180 rupees per day.³⁹ The demand from various labour organisations, and also from the Labour Conference was to raise this to 692 rupees per day (18,000 per month), following a needs based criteria. This was the metric used for employment in central government departments, but not for other workers. Further, the provision that states can set their own minimum wages is likely to lead to a race to the bottom by different state governments vying for private investment. This has occurred in the past⁴⁰, and without counterbalancing forces is likely to repeat at the cost of workers wages.

Inspections and Complaint Redressal: Under the provisions of the Wage Code, the labour inspector will now be an inspector-cum-facilitator. Even in cases of clear violations, prosecution will not be initiated and the employer will be given an opportunity to comply. Further, the penalties on employers violating the law have been diluted.

If a worker has not been paid, she can only approach what is a quasi-judicial appeal authority. Moreover, only an appropriate employee, trade union or authority is allowed to file a complaint. This excludes almost all workers employed at unregulated sites in the informal sector.

It is also not clear who is to be held responsible – whether the Principal Employer or the contractor, if wages are not paid. This lack of clarity combined with the well known problem of establishing employer-employee relations in the informal sector, where long chains of sub-contractors prevail, are likely to further entrench contractualisation. To contextualise the change in labour regime being brought about

through these Codes, one has to remember that the purpose of the now repealed Contract Labour Act of 1979 was to abolish the contract system. In effect, the Codes represent a symbolic reversal of that aim.

In keeping with the stance of the previous UPA regimes, the proposed Labour Codes are also anti-union in their outlook as they seek to reduce the scope of operation of unions and give less of a stake to unions in the decision making process. There are also back door provisions for legally circumventing the 8 hour working day – through providing categories such as ‘intermittent, complementary and emergency work’.

Dismissing specificities: One reason for the high number of labour laws in India is that they are meant to tackle sector specific issues. Several of them have been won after prolonged labour struggles. There are different legal protection mechanisms for journalists, miners, construction workers, *beedi* workers, etc. Working conditions in the mining sector are different from construction, so subsuming the same under the Occupational Safety, Health and Working Conditions Code might not necessarily be beneficial. If anything the workers registered with their specific boards – such as the Building and Other Construction Workers board will be left in the lurch.⁴¹

With these and other changes made through the anti-worker Codes, the Indian state’s hostility to labour issues has been solidified. The reasoning for making these changes and the overall anti-labour posture of the government in an economic downturn makes little sense even to the ruling party’s affiliate trade union.⁴² It is clear therefore that this is not a random or one off decision of this government and represents their systematic thinking about how to organise the economy, where they have chosen to fully back the agenda of big corporations belittling the interests of all others involved.

39 This is half of the government’s own Labour ministry’s recommendation of 375 rupees per day. See <http://www.newindianexpress.com/nation/2019/jul/15/cabinet-ignores-labour-ministrys-recommend-hike-of-rs-375-as-national-minimum-wage-2004085.html>

40 See Yadav’s *There’s a wage crisis in Delhi’s factories – and the Modi government’s new labour laws won’t help* at <https://scroll.in/article/732336/theres-a-wage-crisis-in-delhis-factories-and-the-modi-governments-new-labour-laws-wont-help>

41 The laboriously achieved registration of four crore workers will lapse across the 36 state boards. See Sharma’s report for more details at <https://thewire.in/labour/repealing-the-construction-workers-act-under-new-labour-codes-will-prove-disastrous>

42 See <https://economictimes.indiatimes.com/news/politics-and-nation/harvard-influenced-niti-aayog-killing-jobs-rss-labour-wing/articleshow/70760746.cms>

Shifting policy narrative on Labour

There is a larger story which informs the observations made above. The World Development Report (WDR), 2019, tells us how labor markets and social security are being looked at by international institutions. Acknowledging the reality of the labour market, the WDR 2019 provides a comprehensive rationale for shifting the emphasis from jobs and labour markets. The central emphasis of the report is “protect people not jobs”. The logic provided is as follows – technology has impacted the nature of work (automation resulting in an increase in demand for advanced skills) – it has shifted the mix of skills required to succeed in the labour market and also changed production patterns (new industrial organization concentrating activities in few large firms). The labour supply has not kept pace with labour demand and in many developing countries large share of workers remain in low productivity employment, often in the informal sector with little access to technology or protection. So investment in human capital, basic infrastructure and social protection is needed. Societies need a new social contract, we are told, especially developing countries, centered around large human capital investments and progressively universal social protection. Early childhood education is the centre of focus in relation to the productivity of future workers.

WDR acknowledges that the biggest threat is that automation is going to undo the employment benefits of open trade and investment in some developing economies; while not allowing these benefits to accrue in other developing countries. The implication of the WDR argument is quite clear – informality is a reality of the developing economies, the focus has to be on Universal Basic Income, strengthening social protection, investing in human capital from productivity angle and reaping economic returns, investing in education and evaluating the returns to investment by measuring the productivity of the next generation of workers. According to the WDR, there is little scope for emerging countries to improve the returns to work by reallocating labor from villages to cities because of the nature of jobs that they can produce in cities. Traditional provisions of social protection based on steady wage employment, clear definitions of employers and employees, as well as a fixed point of

retirement become increasingly obsolete. In developing countries, as per the WDR, where informality is the norm, this model is largely aspirational. The report recommends spending on social assistance and complemented with insurance that does not fully depend on having formal wage employment, As people become better protected through enhanced social assistance and insurance, labour regulation where appropriate, be made more balanced to facilitate work transitions (read dilute labour standards).

The significance of the WDR 2019 is that through it we can see an admission by the global capitalist establishment that given the changes in the operation of the global economy, secure jobs will no longer be created. Without stating as much, the whole logic of the report is premised on accepting this fact. It presents an agenda for states to adopt under the new conditions. Whether one should simply accept those conditions as pre-given, is a politically charged question.

So we can see that the WDR really connects the dots of Indian policy – diluting labour regulation, emphasising skilling as a central element of labour market, shifting the centrality of education from citizenship and rights to economic returns, abdicating the state of any responsibility of employment and providing social protection through insurance. The discussion on changes in labour laws, the bills for social protection and the policies for skill development further reinforce that India is already well on the way to make the ‘move from jobs to people’ and it has positioned itself quite well to meet the World Bank policy mandate.

Some Consequences

Deepening Inequality

The most noticeable aspect of India’s high growth years has been the deepening of inequality at an unprecedented scale. Thomas Piketty & Lucas Chancel (2017) claim in the *World Inequality Report* that the present levels of inequality are the highest India has witnessed in the last 100 years. The top 1 percent of the population accounts for 22 percent of the total income share, while the share of the bottom 50 percent stands at 14.9. Credit Suisse which provides data on wealth distribution contends that the top 1 percent of the Indian population owns more than

half of the total wealth. While Gini coefficient measures based on consumption data show an increase from 0.298 to 0.347 between 1983 and 2004–05, when we consider the same based on income data, the result is a startling 0.52. This makes India one of the most unequal countries in the world.

Advocates of pro-market models of economic development see the persistence of inequality favourably. In their mode of reasoning inequality is not the problem, poverty is. Inequality is simply a reflection of those with talent and skills getting a better deal than those who choose not to be competitive. Hence they argue for creating opportunity (i.e. growth) and against interfering with inequality (i.e. distribution), seeing an inevitable trade-off between the two. They also argue without fail that the high growth that such models can help attain is necessary for reducing poverty. Both of these arguments are spurious. This is so for the following reasons, which are also reasons why we must see the link between deepening inequality and the crisis around job creation in the economy despite high GDP growth. In the absence of a robust state support system, there is a link between inequality of income and inequality of opportunity. The link between these has been repeatedly established with regard to educational levels⁴³. The household income position has a large effect on the educational rank a student achieves. The rapid increase in income inequality in the last three decades has meant that more and more of the value created owing to productivity growth has been captured by the top decile of the Indian population. This implies that those at the bottom have less to invest in things (like education and health) that better the chances of their children to improve their life chances. We also see that the growth that is being created has a narrow basis. Educated youth, especially those coming from poorer households in rural areas are the worst affected by the lack of job creation. Not wanting to continue in agriculture (for reasons we reviewed above) and having gained educational degrees, they throng Indian cities waiting for the elusive job for years on end. (Siddiqi & Bhat-

43 Authors of World Bank report *Fair Progress? Economic Mobility Across Generations around the World*, find that India offers least educational and social mobility compared to developing countries, with income of Indians being comparatively more dependent on the income and educational levels of their parents. See Khaitan (2018), for a summary of the report findings related to India.

tacharya, 2019) Further, there is a continuity in the social composition of the poor in the case of India. (Motiram & Singh, 2012) (Thorat & Newman, 2007)

This matters for the world of work as inequality does not exist in a vacuum. Its persistence and deepening has a real impact on the structuring of productive activity and regimes of accumulation. It is these two – the way in which productive activity is organised and the way in which the surplus is distributed, that determine to a great extent the opportunity structure. Some people are sympathetic to the argument about reducing inequality in society, but they seek to do so within the pro-market system of economic growth. The term inclusive growth is used as a formula for such a vision. Inclusive growth cannot be reached simply by the State redistributing the gains from economic growth. Need for a redistribution of assets and intervention in market processes to create opportunities for all to participate especially the historically disadvantaged. A market governed economic growth simply cannot deliver ‘inclusive growth’ – its very exclusionary nature and logic of the market only makes for ‘the secession of the successful’⁴⁴. Labour outcomes in India are inherent in the very workings of the capital accumulation process. Corporate led industrialization generally does not generate much employment even as it simultaneously destroys employment in activities supplanted by it and its offshoots. Its primary concern with profit making involves cutting costs including labour costs. Vast masses of our people are reduced to be ‘reserve army of labour’ for national and global capitalism as a result of unabashedly promoting this system. Dominant thinking on growth in India in policy circles has to acknowledge about some of the important understandings about growth evolved in recent years. Growth with high or growing inequalities is less likely to be sustainable and that inequality can hamper growth. (Piketty, 2014; Acemoglu and Robinson, 2012)⁴⁵. We have to acknowledge that we know very little of what caus-

44 The phrase was used by Robert Reich to describe the withdrawal of the wealthy from civil society into an enclaved world of their own. See Reich’s New York Times essay by the same title at <https://www.nytimes.com/1991/01/20/magazine/secession-of-the-successful.html>

45 Piketty, Thomas, *Capital in the 21st Century*, Cambridge: Harvard University Press, 2014
Acemoglu, D., & Robinson, J. A. (2012). *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. Crown Books.

es 'growth', the knowledge of new growth theory notwithstanding (Easterly, 2013)⁴⁶. By projecting an ill-informed linkage of ideas of growth with well-being, the interests of the elite segments of society have been promoted at the cost of those below over the last three decades, not just in India but the world over.⁴⁷

Social Unrest

The slowdown in job creation alongside increasing inequality plays an obvious role in shaping people's perception about their prospects of social mobility and wellbeing. Needless to say, these perceptions are socially shaped and are relative. Along with growing inequality, worsening prospects for social mobility is well acknowledged as a leading cause of social and political unrest. (Houle, 2019) The shaping and mobilisation of perception, especially if one is able to link it to group identity is a potent political resource as we have learnt in India over the last half decade. A critical approach suggests that there is an incentive for those holding power in society to maintain a level of social tension, especially in times of economic hardship. This is because it helps displace the stress arising from disappointment over economic performance on to other social relations, particularly on the terrain of identity. This leads to social or group conflict, often of an unequal nature and can be treated as a law and order problem by the state; thereby allowing the problem which led to hardship to go unquestioned.

Over the last 5 years, we have witnessed an upswing in the incidence of identity based hate crimes in India. From individual reports to systematic studies, a voluminous literature documents the increase in identity based violence in India, particularly against its minorities and against members of lower caste groups. Analysts have drawn the connection between the rise of an exclusivist, majoritarian pol-

itics under the present regime and the increase in such incidents. (Basu, 2019) Business leaders have also warned that intolerance and the spread of violence in society can lead to economic troubles. (Outlook, 2019)

Communal or caste based violence is often studied as a socio-political or cultural phenomenon. This view does not take into account the co-constitution of the economic, the political and the social. All issues that we categorise as 'systemic', are understood through a cultural lexicon available to actors in society. If that lexicon is dominated by an identitarian logic, that essentialises group differences and prioritises the same as explanatory tools, it is highly likely that the result and the 'actual cause' will diverge. We can observe this in some of the well known examples signifying such conflict in recent times.

The agitation by members of dominant caste groups across several mainland states demanding reservation in government jobs was one of the significant factors that prompted a constitutional amendment just before the general elections. The government tried to present the 10% Economically Weaker Section (EWS) quota issue in the language of social justice, as completing the work of social justice. There is hardly any empirical basis for justifying such a proposition. (Nath, 2019) There seem to be strong ideological grounds for the party in power to have decided on such a move that dilutes the logic of providing affirmative action in favour of communities that faced social exclusion historically. The demand for quotas in government jobs was raised by caste groups such as Marathas in Maharashtra, Patels in Gujarat and Jats in Haryana. Deshpande and Ramachandran (2017) have also shown that the case for backwardness does not stand empirical scrutiny. Their analysis locates the material basis of the dominant caste groups' anxieties to what we have discussed as the distress in agriculture.

The demand for government jobs by these communities has to be understood in the context of a failing agriculture and lack of job opportunities that educated youth from these groups are having to contend with. The success of their mobilisation can be made sense of analysing their political connections and social power – what makes them dominant in the first place. Using such an analysis we can

46 Easterly, W. (2013), *The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor*, Basic Books, New York.

47 The idea is not to present a rhetorical critique, but to emphasise that if the objective is to find a way out of the current predicament we will benefit by shedding all inhibitions about thinking outside of the current models of economic development. We cannot stick to the logic of unregulated capital accumulation if we are to meet the basic needs of people, including that of good quality, remunerative work.

identify the link between social unrest created by the dominant communities and economic hardship particularly due to the crisis in agriculture.

In empirical terms, the loss of public and private property and disruption to the functioning of social and economic life owing to these protests and the sense of antagonism displayed towards the genuinely backward communities (who were entitled to positive discrimination) can be linked to the economic system that has created a generalised social strain. The latter indeed, plays out in an unequal way with the dominant being able to have their way against the vulnerable.

The other most noticeable example is that of hate crimes, particularly mob lynchings, against members of the minority Muslim community. Reports shows that incidents of violence on the pretext of cow protection spiked after 2014 and a very high percentage of those killed, 84% as of 2017, were Muslims. (Abraham & Rao, 2017) While this has been correctly highlight as the spread of hate and as impunity afforded by the current dispensation to perpetrators of hate crimes against minorities, it is important to understand changes in the socio-economic climate as being part of the context that has given rise to this kind of violence. Lynchings as form of social disciplinary violence make observable the nature of the present regime in India, which amalgamates the cultural politics of fundamentalist Hindu Nationalism with an economic neoliberal orthodoxy. The thinning down of government, resulting in reduction of jobs in services such as the police, and an increase in the vigilante ranks of majoritarian vigilante groups such as the Gau Raksha Dal and Hindu Yuva Vahini reinforce the effect each has on the body social.⁴⁸ Just as the state is made to step back from providing adequate public services, in this case police personnel, we see the emergence of vigilantes who police the body social according to the tenets of the majoritarian philosophy that informs their existence.

The lack of robust job creation, which a people centric model of growth could provide, is a necessary (though not sufficient) condition for the persistence of such a state of affairs. Thousands of youth in large parts of northern and north west-

ern India – regions where these instances are concentrated, form the supply of human resource to these vigilante organisations. Whether these youths would be joining such vigilante organisations under a condition of robust, employment led growth is an open question. But it is an obvious and indisputable variable that informs the condition under which the currently observable dispositions are generated and organised in society. Our point is to highlight that the stagnation in economic prospects faced by people, combined with the malicious cultural politics of the majoritarian right wing leads to the persistence of incidents observed as cow vigilantism. A people centric, employment intensive model of economic growth would serve as an antidote to the spread of such behaviour in society.

Final Thoughts: Need for an alternative and some recommendations

From the sections above, it becomes clear that ultimately we need to pose the relationship between GDP growth and employment growth somewhat differently, indeed more imaginatively. We should not think of employment as the consequence of GDP growth and reject as unhelpful the notion of growth first and employment later. This will not succeed in the context of most of the least developed countries, no matter how the growth is financed. We have to reverse the strategy instead to one of employment first, with growth as its consequence. Employment and pro-poor growth would begin to be complementary once we begin to focus on expanding the size of the domestic market.

The above, however, does not happen because the case is implicitly or explicitly made for focusing on increasing the share of India in the world export market. We are told that the main route for achieving this is greater international cost competitiveness; a host of measures that help in reducing unit production cost becomes justified. We can clearly see the influence of this thinking in the emphasis in the Indian policy on ease of doing business and labour reforms. The focus is on improving labour productivity and not increasing employment.

As the relative importance of the external vis-à-vis the internal market increases under globalization, entering the intra-firm value chain becomes an

48 Jafferlot sees this as a “devolution of power and outsourcing of cultural policing (to the vigilantes)” (Jafferlot, 2017)

important reason for favouring MNC investments. In so far as developing countries are concerned, they are usually able to penetrate foreign markets and the international distribution system by becoming a part of the established intra-firm trade network. They try to achieve this by lowering the transaction costs for MNCs in their countries in one way or another, and the race to the bottom appears again in the guise of lowering the transaction costs for the corporations.

However, once we recognize the importance of the domestic market, this corporate logic of management for increasing labour productivity no longer applies. In addition, the principle of applying the micro logic of corporate management about the reduction in labour cost to the economy as a whole ignores the fact that all countries cannot be winners at the same time in the zero sum game of competitive cost cutting in order to produce an export surplus.

It is useful to ask why policy makers are able to focus on achieving growth alone, without discussing the sources, nature and drivers of growth—the one major shift in India's public policy debates since the economic reforms began. We need to get our own answers to the aforementioned fundamental question—clearly this is linked with the issue of political and economic power—something that is bypassed by dominant modes of thinking in economics, including this proposition.

Is there an alternative? In the preceding pages we have tried to present a systemic analysis of the lack of job creation in the Indian economy. We have presented empirical evidence of the stagnation of employment creation in the economy and have discussed some causal mechanisms along with a discussion of who bears the brunt of this crisis. Despite the paucity of space, we have also elaborated some consequences which otherwise get seen as disconnected phenomenon. In this last section, we wish to put forth some recommendations for state action that are required to move away from the current growth model that gives primacy to corporate led economic activity, and particularly on production for the global market. Our overall contention is that we need to broaden the base of our developmental strategy and move to a model of needs first economic growth. Towards that end, we present the following recommendations:

1. Big Push in Agriculture

There is no getting away from the fact that agriculture still forms the mainstay of the working population in India. Despite the reduction in numbers of those directly employed in agriculture, and the fragmentation of land holdings, it continues to be central to the lives of most of India's working people. The scope for increasing the productivity and yield of output in the sector is exemplified by the poor comparison India draws in this regard even with other developing countries. This requires a wide range of action on the part of the state—from investing in infrastructural and technical requirements, especially in dry land farming areas, expanding credit institutions and extension services, ensuring a remunerative price floor particularly by removing rentier incentives, promoting cooperative management wherever feasible and making timely interventions to ensure the wage level for agricultural labour keeps rising with the increase in value creation in the sector.

A systemic approach needs to be adopted. This means proposals for change in agricultural policy have to be in step with regional development plans. An example of this is investment in agro industries specific to the regional context, as far as possible managed through a cooperative design. Decentralisation and universalisation of the Public Distribution System would also be a part of revamping agriculture, as policy needs to recognise the value of what are ignored as 'coarse grains'. This would also curb the excessive transportation and leakage costs of the highly centralised PDS at present. In sum, treat agriculture as a sector with potential and increase investment in it on the infrastructure front along with ensuring critical state support with the aim of increasing productivity and wages.

At the end of the day, however, the fact remains that until and unless there is the resolution of the agrarian question in India, many of these systemic hurdles will continue to plague India's countryside. The resolution of this question at the core involves (but is not restricted to) redistribution of agricultural land, getting rid of all forms of landlordism, freedom from moneylender-merchant exploitation and caste and gender oppression in the countryside.

2. Need for an Industrial Policy and Disciplining of Capital

There needs to be a serious relook at the industrialisation model keeping in mind the requirements of the vast majority of the people in India. This means giving secondary status to the globalisation imperative we discussed above and prioritising the development of a domestic demand base on which industry can rely. It is a fact that industrialisation based on fossil fuel dependency is not an option for India, or any other developing country today. Industrial policy in India will have to take account of the energy transition. This is possibly a fortuitous turn of events as the job creation potential of the green energy sector is higher than that the current fossil fuel one. (Azad & Chakraborty, 2018)

At present the private sector enjoys a rebellious position in its relation to the state, which for its part often bends over backwards to accommodate the interests of investors of large corporations. A variety of incentives, such as the most recently granted irrational 1.45 lakh crore tax waiver to corporations, exemplify this. There is a need to recognise that an unscrutinised reliance on corporations to deliver sustained growth is bad policy. We need to recognise that prioritising the corporate sector and facilitating its search for global markets has contributed to getting us where we find ourselves. Facilitation of private enterprise needs to be made conditional to the convergence of goals. In other words, the government needs to set out a clear set of goals it is working to achieve and facilitation of the private capitalist sector has to be made conditional to achievement of those goals. For example, creation of secure, remunerative jobs and acquisition of appropriate technologies should be benchmarks against which performance of select enterprises can be indexed. State assistance to firms has to be made conditional to meeting targets that are set in advance. Much here can be learned from the success of late industrialising countries like South Korea. Our situation however is different and we will need to be creative in how we chart our independent course.

3. Expansionary fiscal policy for investment in programme of universal basic services

The orthodoxy of making the containment of fiscal deficit needs to be junked in favour of making investment in essential services that create good jobs. Policymakers need to have the stomach to make investments that will matter in the long run. Bold steps need to be taken to ensure Indians have access to essential public services like health, education, environment and housing. Alongside such investment there is a need to expand the employment guarantee programme in rural areas (kinds of works that can be undertaken and duration of employment guaranteed) and extend the same in urban areas. There is an enormous demand for these services, given the abysmal performance – India ranks 103 out of 119 countries on the global hunger index, 145 out of 191 (in 2013) on the UN Education Index, 177 out of 180 on the Yale University Environmental Performance Index and 130 out of 180 on the UN Human Development Index. Action on these fronts should be conceptualised in a planned manner through a programme of Universal Basic Services. Such investments carry not only a high moral charge but are productive investments in the workforce. Investments in these services synchronised with an expanded employment guarantee programme can lead to the creation of millions of socially productive employment opportunities in which the youthful workforce of the country can be well absorbed.

4. Protection of Workers' Rights in the informal sector (taken from Mander et al. 2019)

Along with a change in strategy highlighted by the three points above, a concerted effort will have to be made to ensure basic labour protections and entitlements in the informal sector, where the majority of the working population is employed. We list out a set of points that can work as guidelines as we seek to ensure that good quality, remunerative employment is accessible to workers in the country. Any adaptation and all implementation of these guidelines will of course have to be context specific. This is why we refrain here from giving micro solutions.

Some basic entitlements and protections must be afforded to labour. These include the following.

A national living wage: The central government should mandate the creation of a living wage floor, that allows a worker to obtain not just the basic essentials of living – food, clothing and shelter, but also allows access to education for children, protection against disease, insurance and other social needs. This can be calculated differently depending on the cost of goods and services in different states, but a decently high central floor must be set below which no state should fall.

Rights at the workplace: Issues such as minimum safety and health standards and maximum hours of work need to be legislated at the national level. The legislation or policy framework must recognise the process of collective bargaining as the legitimate way of addressing needs beyond the minimum standards and of resolving disputes between employer and employees.

Contract Workers: There is a routinisation of contracting out work that is perennial in nature. This needs to be recognised and addressed such that workers are not driven into precarious employment. Further, workers employed by contractors need to be provided the same legal cover on counts of social security and conditions of work as those directly employed. Health and provision of gratuity/provident fund benefits, as well as the application of standards of safety and time bound payment of wages must be explicitly ensured for this set of workers as they are more prone to be vulnerable.

Skill Development: The existing model of Skill India seems to be more about producing numbers than jobs, as evidenced by the dismal placement levels of trainees under the programme⁴⁹ It is necessary to have private industry play its part (and bear costs) in skilling the workforce it requires to remain profitable. The state must ensure access of members from the marginalised sections of the population to initiatives of skilling and vocational training and ensure regulatory compliance by the private sector. It is the state's responsibility to discipline capital such that it invests in avenues that are socially relevant.

Ensuring portability of rights of migrant workers: Tens of millions of people leave their homes in search of employment opportunities, stay and work

49 A year after its launch Skill India placement records show a 5% placement rate for trainees under the scheme as reported by Hindustan Times. See the report by (Sharma, 2016).

in our cities living all the while in inhuman conditions. Not being from the area they are denied their rights to avail various welfare benefits. It is an obligation of the state to ensure that denial of welfare benefits does not take place to compound the hardships of seasonal migrant workers. There is a pressing requirement for a robust policy framework to ensure the portability of rights for migrant workers and their families. Not only would this alleviate some of the hardships faced by this highly vulnerable group of people, by ensuring better nutrition and health services it would contribute to them being able to live and work better.

Cluster-Based Growth Poles and Cooperative Management: In order to tackle the challenge of job creation it is imperative to focus on cluster based economic growth and cooperative forms of management of firms. The idea of cluster-based growth poles is not new. It was recommended by the NCEUS⁵⁰ and overtime several others have also advocated the same. India has approximately 6000 cluster towns, which should be developed by being made the focus of urban infrastructure missions and dedicated policy packages. The policy framework should provide incentives to small firms to develop and grow, thus addressing the question of 'the missing middle' in Indian manufacturing. Such an approach will also make India's urbanization experience less frenzied. Rather than have unsustainable, burgeoning metropolises that attract millions being driven out of farms, it would be far better from the perspective of regional planning to have decently provided for mid level towns and cities that serve as hubs of decent work opportunities for labour that is seeking non-agricultural work. To this must be added the component of cooperative management ensuring equitable distribution of surplus generated. India has witnessed great success in cooperative initiatives, be it in the dairy, farming or other sectors. Globally as well there are shining examples of sustainable cooperatives that have been able to curb excessive inequality and generate a culture of participatory workplace democracy. The example of Mondragon⁵¹ is highly relevant, despite its criticisms. Yet,

50 NCEUS, 2009 pg 350-356 and 373-374

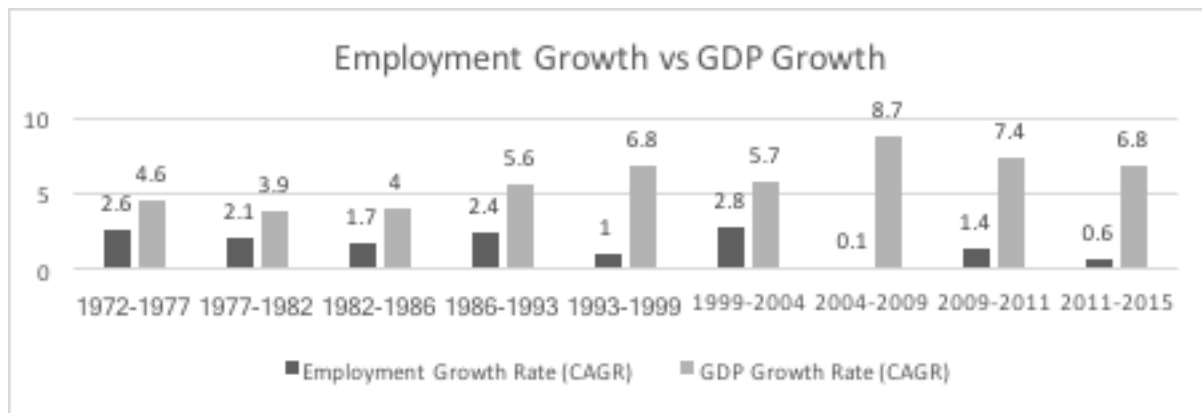
51 See Whyte & Whyte (1991) for a detailed analysis of Mondragon. See Richard Wolff's advocacy of Mondragon [Wolff (2012)], and book [Wolff (2012)] on economic democracy in the 21st century.

the idea of cooperatives is met with a sense of casual dismissal in business and economic policy circles, regarding it as impractical. It is time to move past such non-engagement into a world where those who produce can claim a seat at the table when it comes to making decisions about what, when and how to produce. Genuine workplace democracy would be the mark of a mature democratic culture and of the

substantial realization of the constitutional promise of equality.

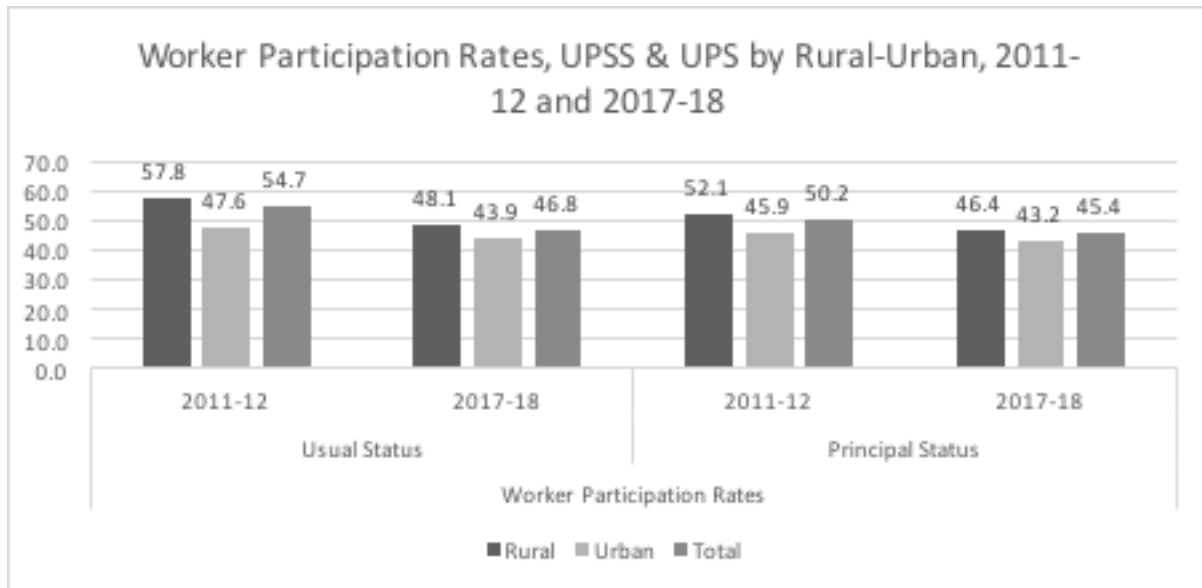
These are some essential elements that need to be foregrounded in a new imagination of economic development if the current crisis of economic growth without adequate number of good quality remunerative jobs is to be resolved.

Figure 1: Employment Growth and GDP Growth in the Indian Economy



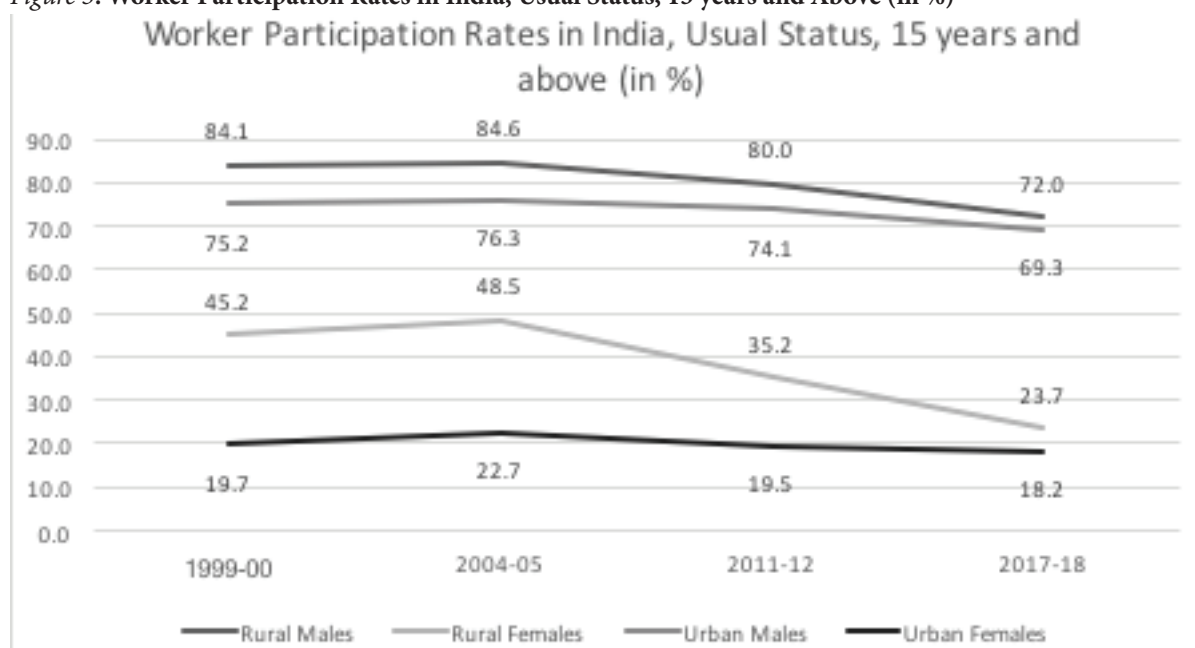
Source: State of Working India 2018, Azim Premji University

Figure 2: Worker Participation Rates, Working Age Population, Usual and Principal Status by Rural- Urban, 2011-12 and 2017-18



Source: Compiled from unit level records, NSSO EUS 68th Round and PLFS 2017-18

Figure 3: Worker Participation Rates in India, Usual Status, 15 years and Above (in %)



Source: NSSO Unit level data (55th, 61st and 68th rounds) and PLFS 2017-18

Table 1: Unemployment Rates (in %) according to Usual Stats and Current Weekly Status (CWS) from 1972-73 to 2017-18

	Rural				Urban			
	Male		Female		Male		Female	
	Usual	CWS	Usual	CWS	Usual	CWS	Usual	CWS
PLFS (2017-18)	5.8	8.8	3.8	7.7	7.1	8.8	10.8	12.8
68th (2011-12)	1.7	3.3	1.7	3.5	3	3.8	5.2	6.7
61st (2004-05)	1.6	3.8	1.8	4.2	3.8	5.2	6.9	9
55th (1999-00)	1.7	3.9	1	3.7	4.5	5.6	5.7	7.3
50th (1993-94)	1.4	3.1	0.9	2.9	4.1	5.2	6.1	7.9
43rd (1987-88)	1.8	4.2	2.4	4.4	5.2	6.6	6.2	9.2
38th (1983)	1.4	3.7	0.7	4.3	5.1	6.7	4.9	7.5
32th (1977-78)	1.3	3.6	2	4.1	5.4	7.1	12.4	10.9
27th (1972-73)	1.2	3	0.5	5.5	4.8	6	6	9.2

Source: PLFS 2017-18 Annual Report

Table 2: Sector-wise percentage share in Employment and Gross Domestic Product

Sector	Rural				Urban			
	1981		1991		2001		2016-17	
	Employmentl	GDP	Employmentl	GDP	Employmentl	GDP	Employmentl	GDP
Primary	68.87	41.8	66.75	34.92	59.9	27.3	42.74	15.11
Secondary	13.48	21.58	12.77	24.48	11.9	24.28	23.79	31.12
Tertiary (Services)	17.65	36.62	20.5	40.6	28.2	48.42	33.48	53.77

Source: Census of India and National Accounts Statistics (various issues), <https://statista.com>

Industrial Group	Employment Share 2017-18	Absolute Numbers in Millions	Shift in Sectoral Share from 2011
Agriculture, Forestry and Fishing	43.3	188.2	-3.7
Manufacturing	12.2	52.8	-0.3
Construction	11.8	51.1	1.0
Services	31.7	137.8	3.1
Others	1.0	4.5	-0.1

Source: NSSO Unit level data (68th round) and PLFS 2017-18

Year	Cultivators (figures in %)	Agricultural Labourers
(figures in %)		
1951	71.9	28.1
1961	76	24
1971	62.2	37.8
1981	62.5	37.5
1991	59.7	40.3
2001	54.4	45.6
2011	45.1	54.9

Source: Agricultural Statistics at a Glance 2014, Ministry of Agriculture, GoI

Figure 4: Share of workers (in %) in the Organised Sector (Excluding Agricultural activities), 2011-2012 and 2017-18

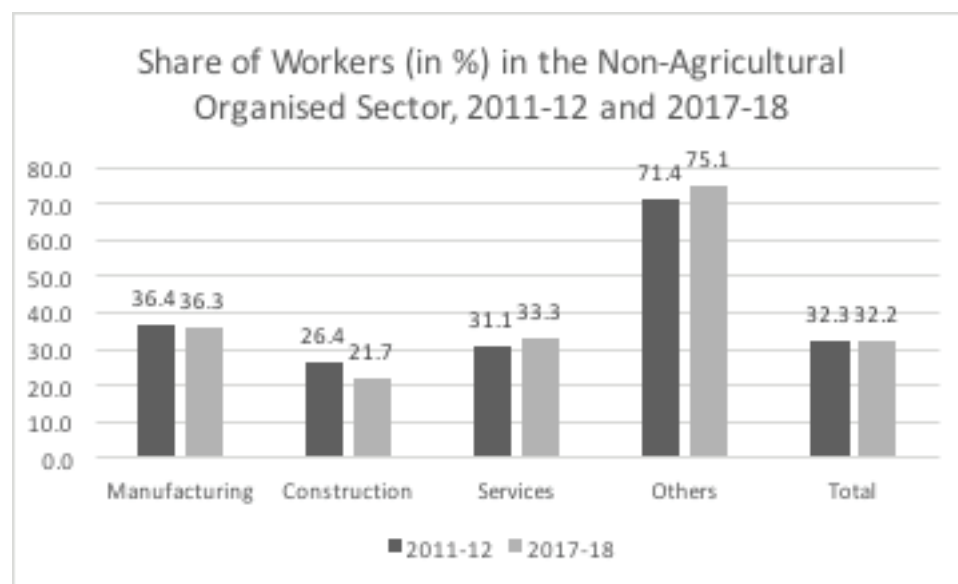


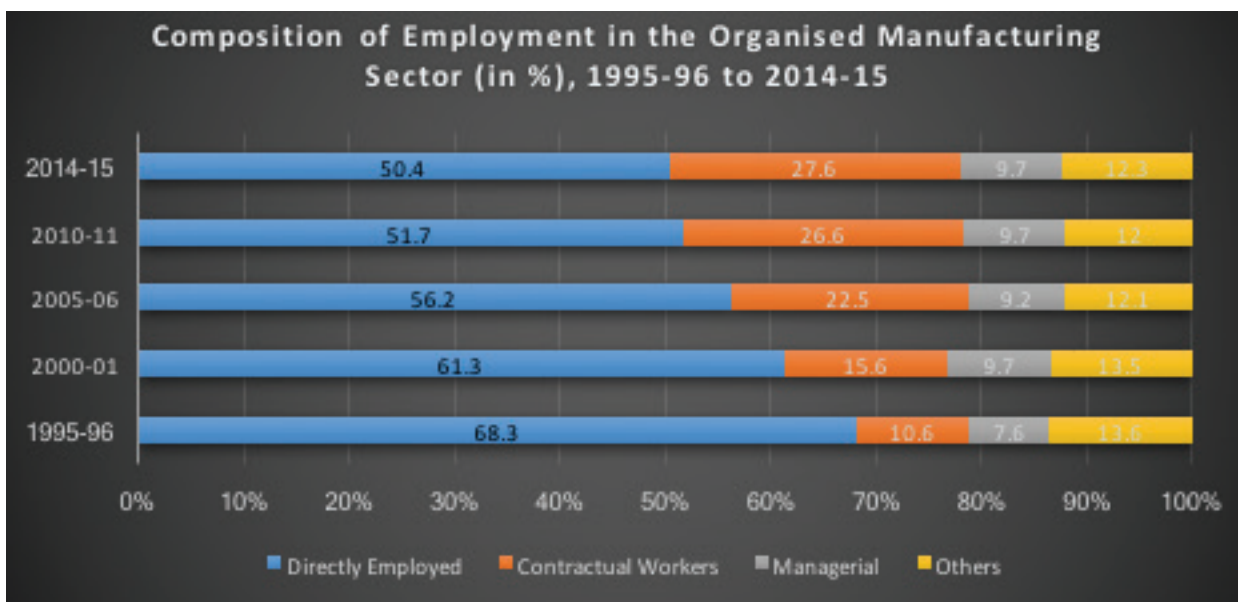
Figure 4: NSSO Unit level data (68th round) and PLFS 2017-18

Table 5: Share of Formal and Informal Employment in the Organised and Unorganised sector (excluding Agricultural Activities) (in %), 2011-12 and 2017-18

	2011-12			2017-18		
	Formal (Strong)	Formal (Weak)	Informal	Formal (Strong)	Formal (Weak)	Informal
Unorganized	0.4	1.8	97.8	0.5	2.0	97.5
Organised	29.6	22.2	48.1	27.4	27.9	44.7
Total	9.9	8.4	81.7	9.2	10.3	80.5

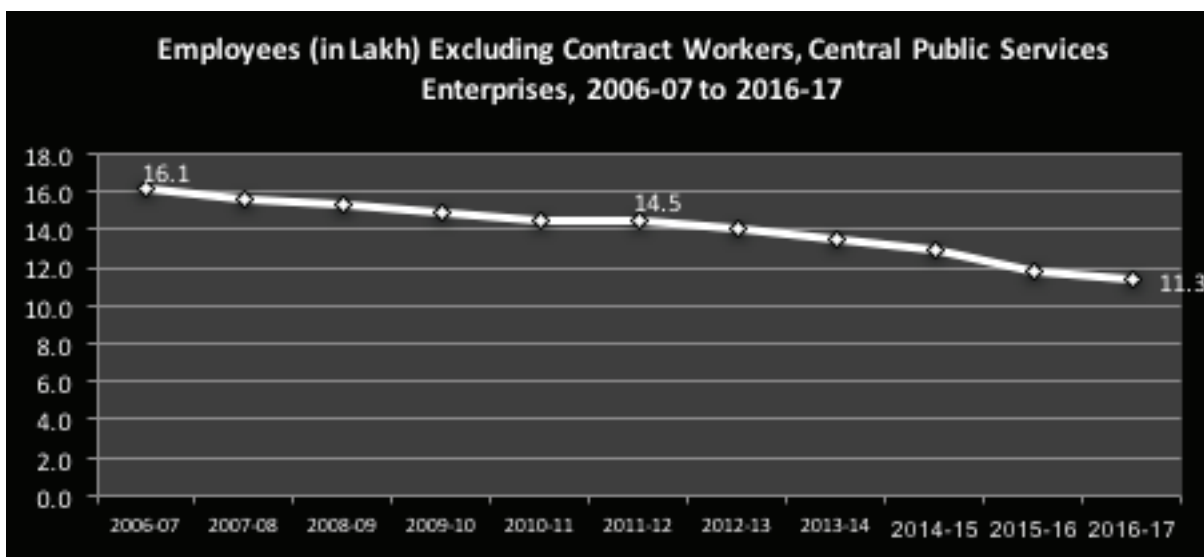
Source: NSSO Unit level data (68th round) and PLFS 2017-18

Figure 5 Composition of Employment in the Organised Manufacturing Sector (in %)



Source: Unit level ASI data, Various Years

Figure 6 Employees (in Lakh) Excluding Contract Workers, CPSE, 2006-07 to 2016-17

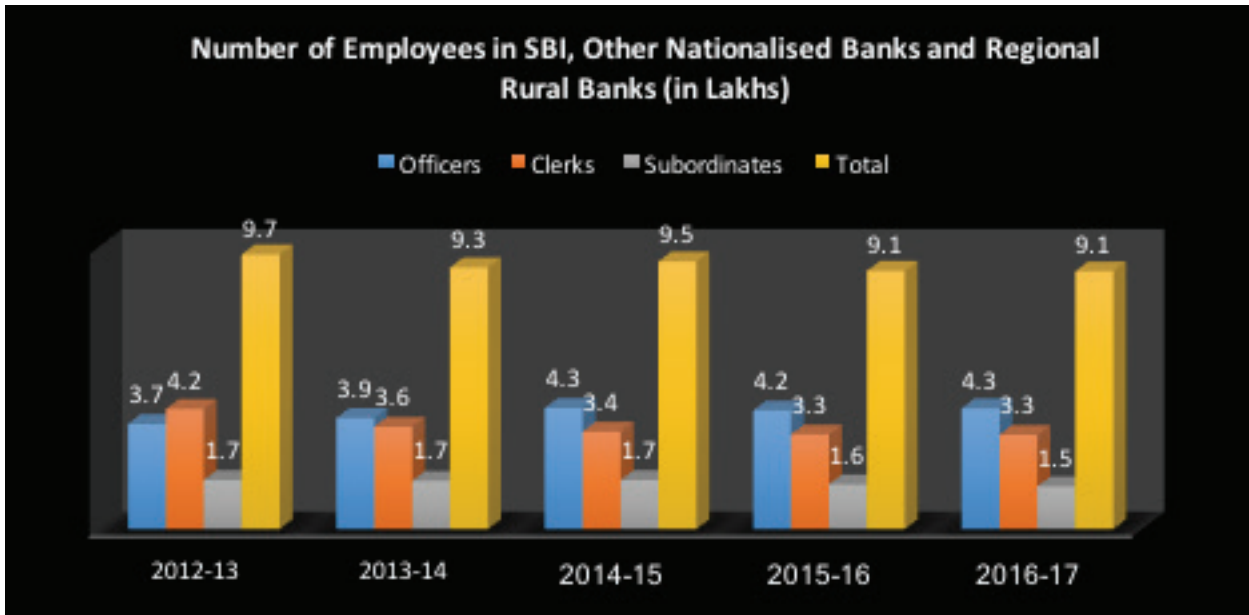


Source: Nath (2019)

	2007	2011	2017
<i>Group A</i>	7959	8848	9741
<i>Group B</i>	7816	8093	6598
<i>Group C</i>			
<i>(i) Workshop Artisan</i>	294865	329253	330142
<i>(ii) Running</i>	89120	94850	112955
<i>(iii) Others</i>	514507	655114	768275
<i>Group D</i>			
<i>(i) Workshop Artisan</i>	136574	55942	22905
<i>(ii) Others</i>	346769	180402	57707
<i>Total</i>	1397610	1332502	1308323
<i>Source: Nath (2019)</i>			

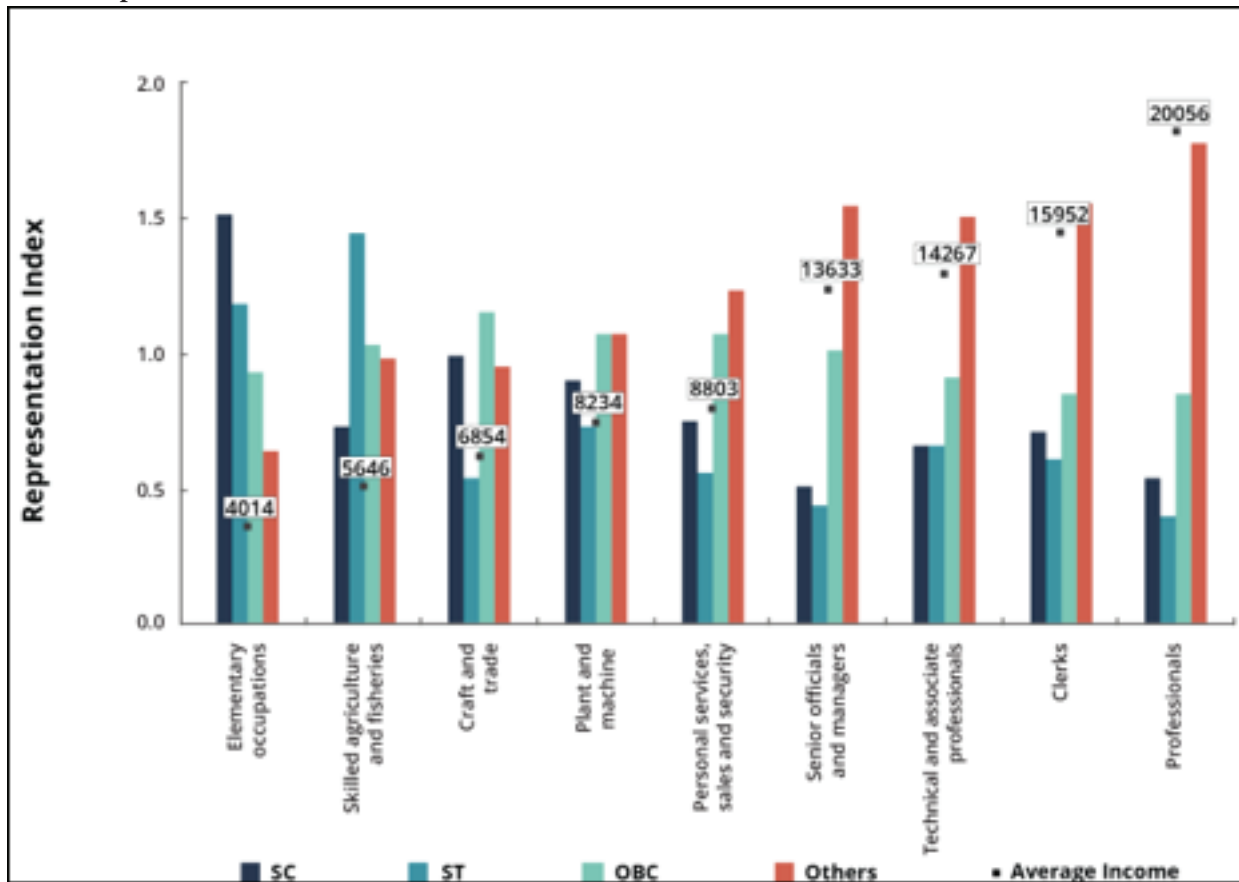
	2012-13	2013-14	2014-15	2015-16	2016-17
<i>Gazetted Officers</i>					
<i>Group A</i>	665	576	609	614	619
<i>Group B</i>	3773	3333	3226	3070	2948
<i>Total Gazetted Staff</i>	4438	3909	3835	3684	3567
<i>Non-Gazetted Officers</i>					
	2012-13	2013-14	2014-15	2015-16	2016-17
<i>Group C (including Group B non Gazetted)</i>	168991	165994	165312	160781	152659
<i>MTS</i>	29273	30491	30148	29346	28191
<i>Total Non-Gazetted Staff</i>	198264	196485	195460	190127	180850
<i>All Employees</i>	202702	200394	199295	193811	184417
<i>Source: Nath (2019)</i>					

Figure 7: Number of Employees in SBI, Other Nationalised Banks and Regional Rural Banks (in Lakhs)



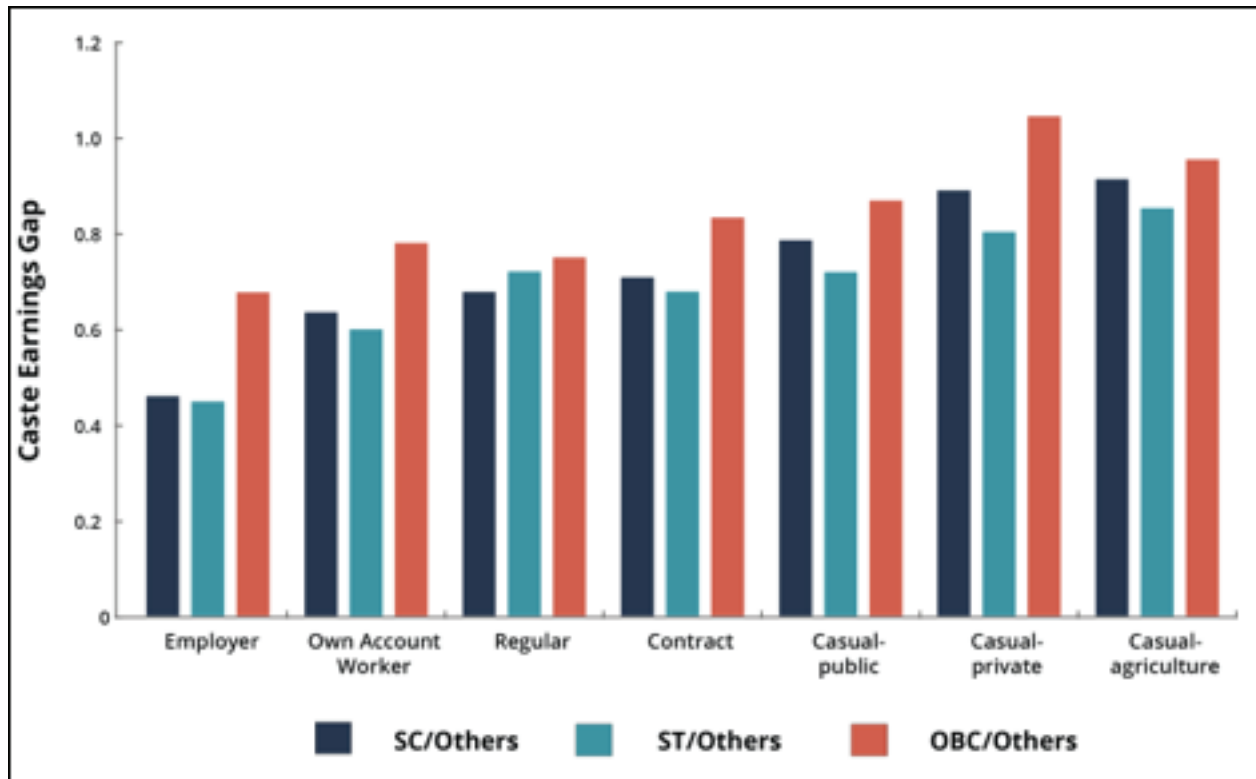
Source: Nath (2019)

Figure 8: SC and ST groups are over-represented in poorly paid occupations while upper castes are over-represented in well-paid ones



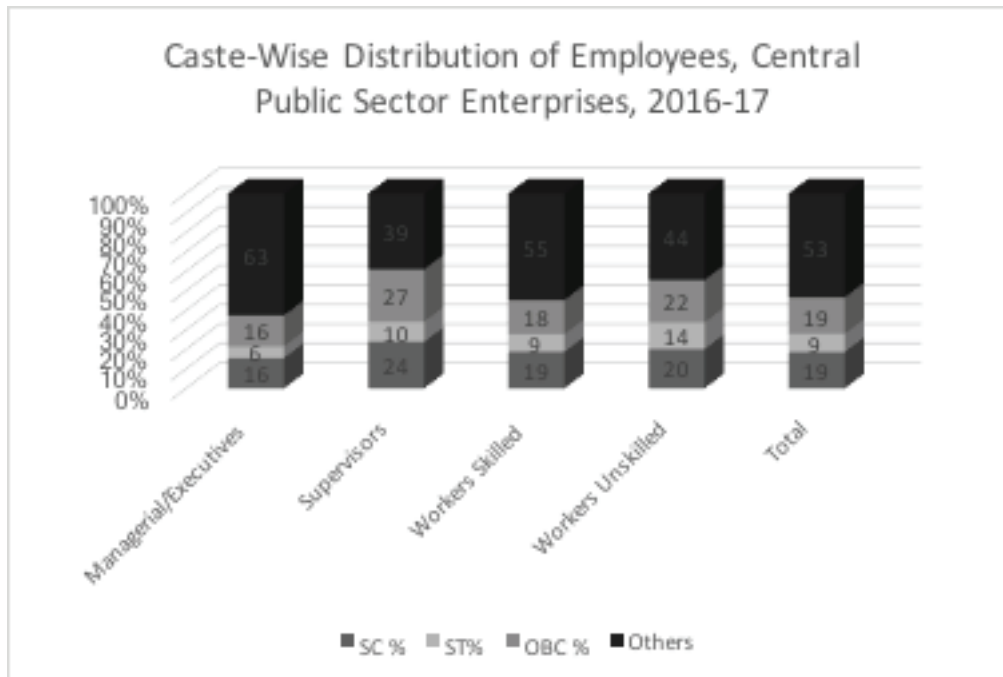
Source: State of Working India 2018, Azim Premji University

Figure 9: Caste Earnings Gap across Employment Status



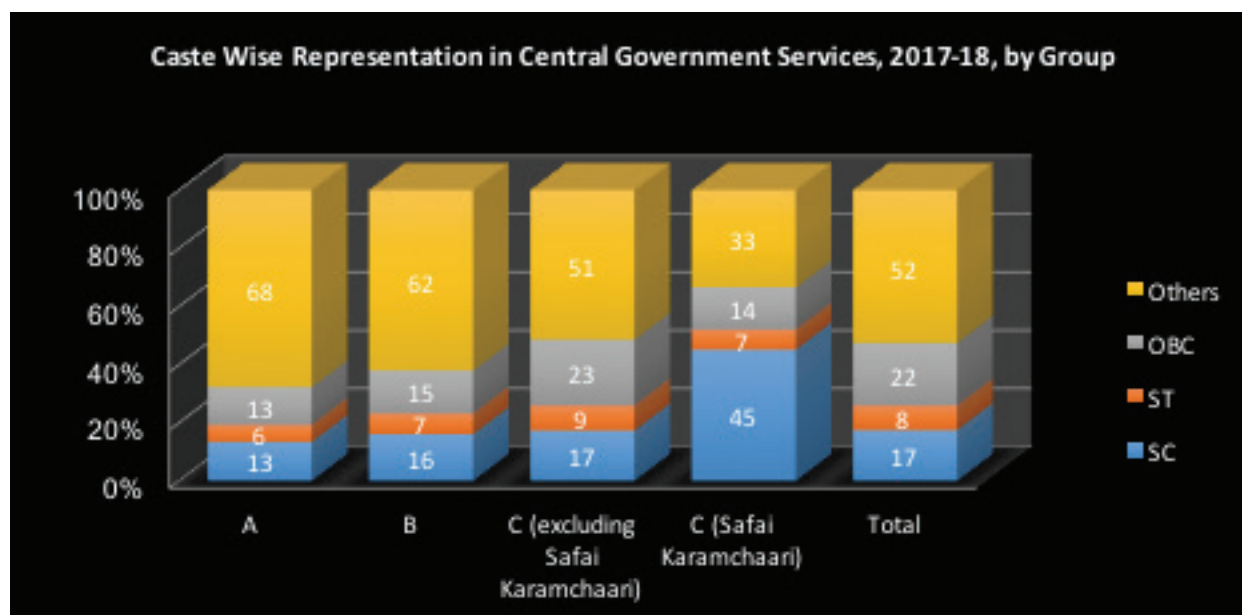
Source: State of Working India 2018, Azim Premji University

Figure 10: Caste-Wise Distribution of Employees, CPSEs 2016-17



Source: Nath (2019)

Figure 11: Caste Wise Representation in Central Government Services, 2017-18, by Group (in %)



Source: Nath (2019)

2007					
	SC	SC%	ST	ST%	
Group A	1212	15.12	541	6.75	
Group B	1311	16.61	582	7.38	
Group C	134025	14.88	56024	6.22	
Group D (excluding Safaiwalas)	72704	16.67	29658	6.8	
Group D Safaiwaalas	26996	55.92	2605	5.4	
Total (excluding Safaiwalas)	209252	15.47	86805	6.42	
Total (including Safaiwalas)	236248	16.86	89410	6.38	
2017					
	SC	SC%	ST	ST%	
Group A	1314	13.48	716	7.34	
Group B	1155	17.49	490	7.42	
Group C (includes erstwhile Group D)	226636	17.54	103901	8.04	
Total	229105	17.51	105107	8.03	

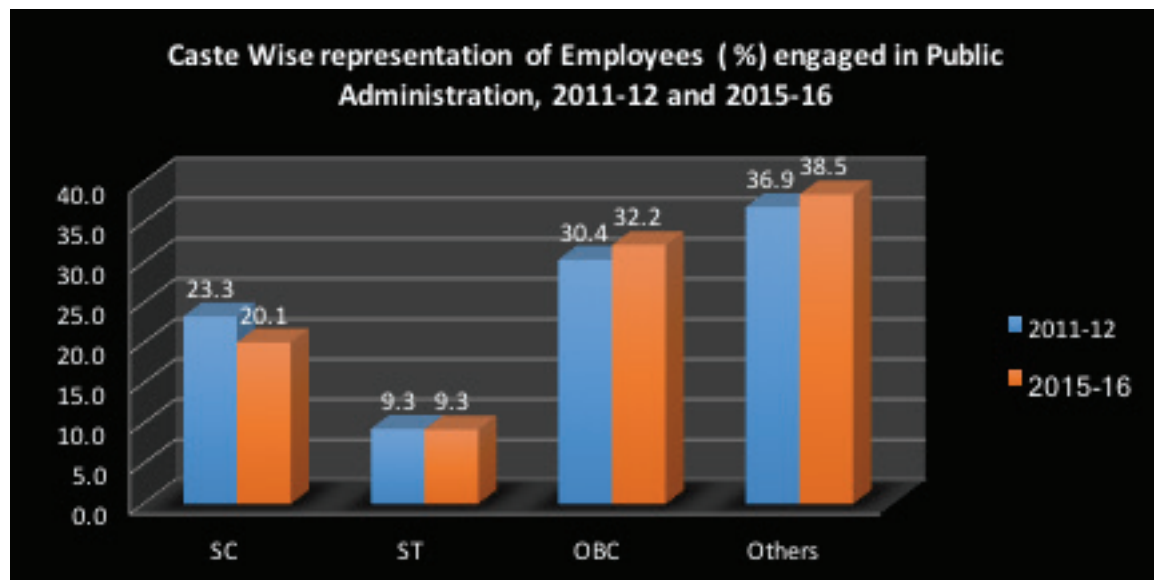
Source: Nath (2019)

Table 9: Share of SC and ST personnel, India Post, 2012 and 2017

	2017				2012			
	SC	% SC	ST	%ST	SC	% SC	ST	%ST
Group 'A'	57	9.21	38	6.14	61	10	33	5.41
Group 'B' (Gazetted)	425	14.42	157	5.33	413	11.14	151	4.07
Group 'B' (Non Gazetted)	943	16.76	377	6.7	369	11.95	187	6.06
Group 'C' excluding MTS	24068	16.37	10893	7.41	29325	16.95	12515	7.23
MTS	5566	19.74	2125	7.54	6522	21.25	2298	7.49
Total	31059	16.84	13590	7.37	36690	17.38	15184	7.19

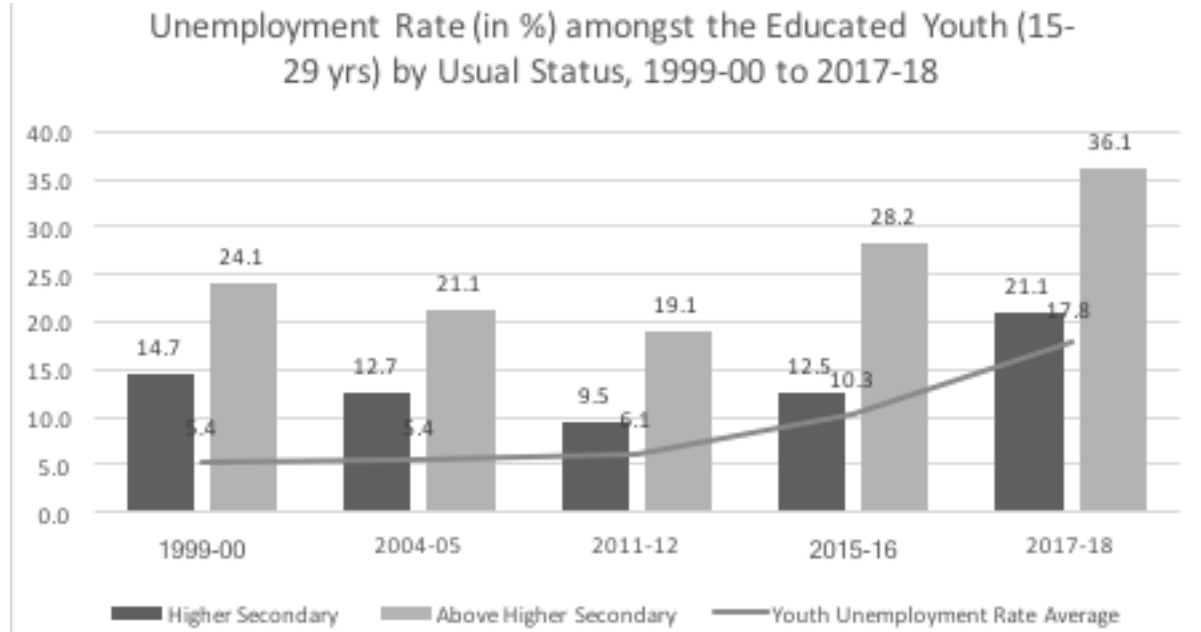
Source: Nath (2019)

Figure 12: Caste Wise representation of Employees (%) engaged in Public Administration, 2011-12 and 2015-16



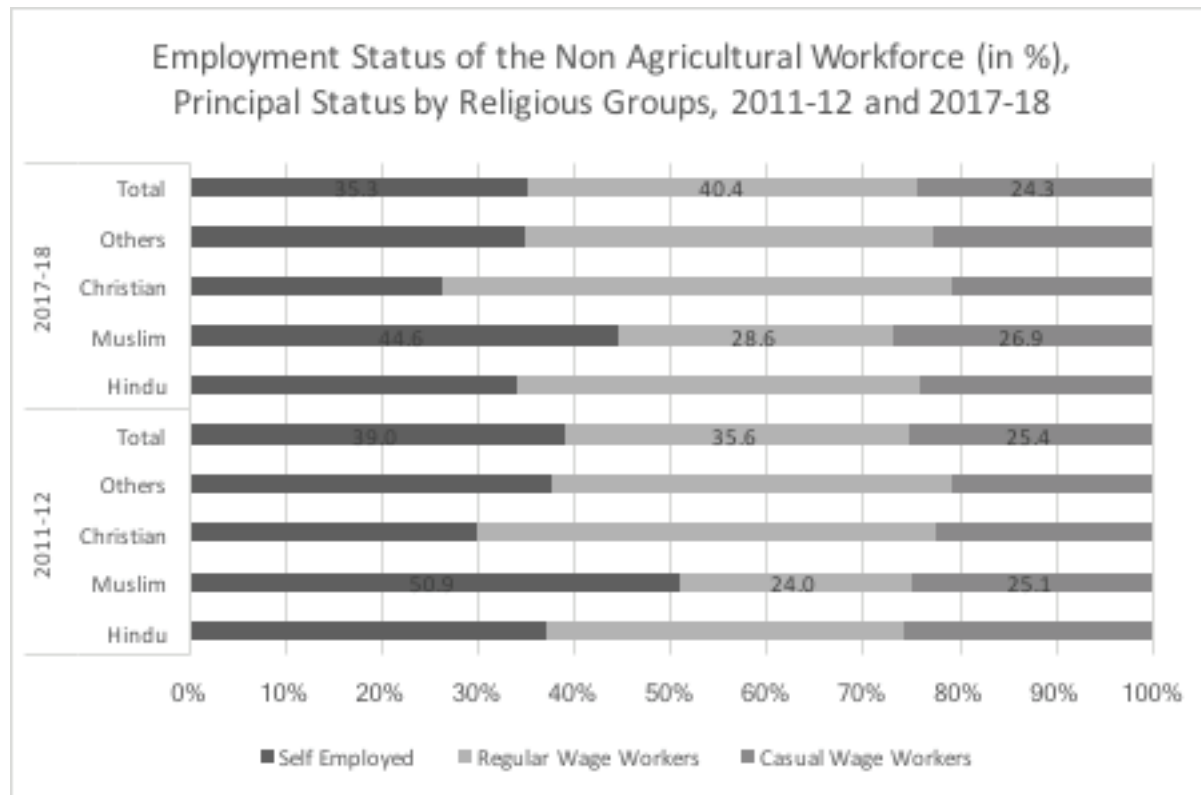
Source: Nath (2019)

Figure 13: Unemployment Rate (in %) amongst the educated youth by Usual Status, 1999-00 to 2017-18



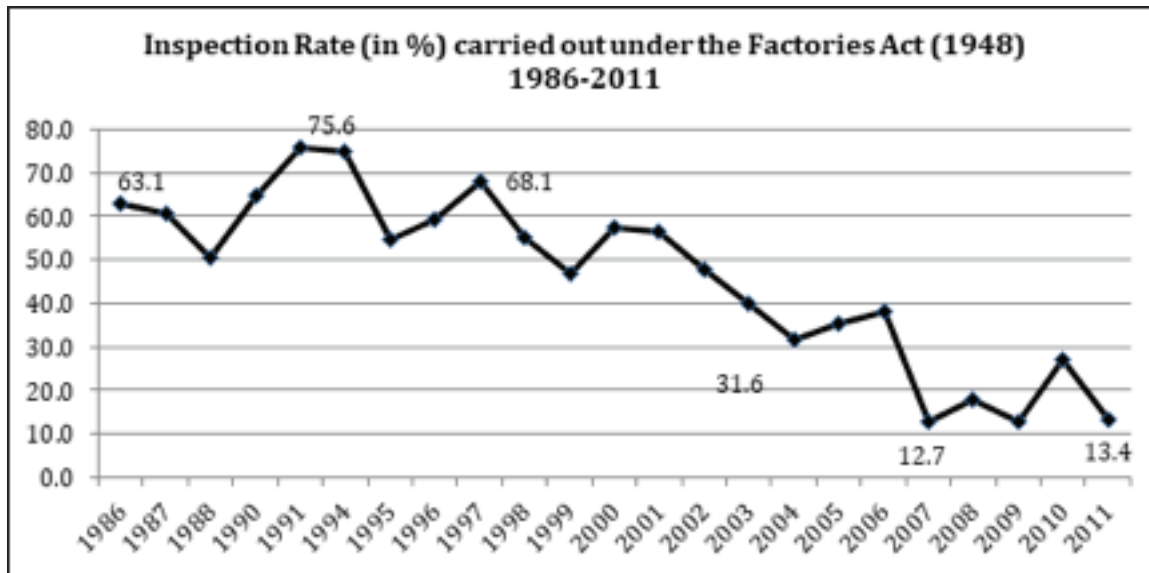
Source: Calculated from unit level data NSSO EUS 55th, 61st and 68th rounds, 5th Labour Bureau survey & PLFS 2017-18

Figure 14: Employment Status of the Non Agricultural Workforce (in %), Principal Status by Religious Groups, 2011-12 and 2017-18



Source: NSSO Unit level data (68th round) and PLFS 2017-18

Figure 15: Inspection Rate (in %) carried out under the Factories Act (1948), 1986-2011



Source: Indian Labour Year Book, Labour Bureau, Many Issues

Figure 16: Income Inequality, India, 1923-2015



Source: World Inequality Database

Table 9: Elusive Government Jobs		
Job	No of posts	No of applicants
Peon in UP State Secretariat	368	23,00,000
Waiter in Maharashtra State Secretariat	13	7,000
Group D in Railways	90,000	2,50,00,000
Source: Siddiqi and Bhattacharya (2019)		

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