

Regular Salaried Employment Opportunities in India: Nature, Access and Inclusiveness

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Abstract *Decent work for poverty reduction and overall well-being has long been recognised by International Labour Organisation (ILO). However, ensuring it still remains a challenge in several countries across the globe. Treating regular employment as a form of decent work may be a misconception as a large number of regular salaried employment opportunities are devoid of any tenurial and social security benefits to workers, making them vulnerable, which is a crucial indicator of ILO's notion of decent employment. Based on unit record data of large rounds of National Sample Survey on Employment and Unemployment, this paper disaggregates regular employment across public, private and informal enterprises and finds unequal access to quality employment opportunities to various socio-religious groups. It attempts to understand determinants of access to regular wage employment opportunities with a focus on quality jobs. Finally, the paper suggests measures to improve the availability and access to quality jobs to workers and promote inclusiveness in such job opportunities with a special focus on marginalised social groups in India.*

Keywords Regular jobs · Social security · Inclusiveness

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1 INTRODUCTION

Regular wage/salaried jobs are regarded as the good jobs as they are steady and secure, pay well, meet labour standard and offer social protection (Fields 2011). Such jobs are most sought after form of employment across the world. In India and in other developing countries the proportion of working poor among regular salaried workers is least as compared to casual wage labourers and self-employed that too as own account worker (ILO 2014; Papola and Sahu 2012; IHD-ISLE 2014). It is generally believed that regular salaried employment, broadly meets the ILO criteria of “Decent Work” which advocates promotion of decent and productive work in conditions of freedom, equity, security and human dignity. However, opportunities for such regular employment are very limited in India as compared to many other countries like China, Malaysia, South Africa and Brazil (ILO 2014) due to predominance of informal activities, thereby entailing a tough competition for getting such jobs. With about 87 million workers in regular salaried employment, they constituted about 18.4 per cent of total workers in India during 2011–12. Thus, over half of the Indian workforce is still dependent on self-employed form of employment, mostly as own account workers with precarious jobs. Another 29 per cent workers are in casual wage works. Related to limited regular employment is high incidence of unemployment among educated labour force (Mamgain and Tiwari 2016), who are reluctant to work in other forms of employment, i.e., self or casual employment. The craze for and related magnitude of demand for public sector jobs is also evident from the recent advertisement of Government of Uttar Pradesh for group D positions. Against 368 posts of peons about 2.3 million applicants applied including 0.15 million graduates, 24969 post-graduates and 250 doctorates!! The minimum qualifications for peon level positions is school education and bicycle riding experiences with a monthly salary of Rs. 16000/- (PTI 2015, 17 September, Lucknow).

Though both public sector and private sectors are the major sources of regular employment in India, opportunities for such employment were significantly curtailed in public sector since the economic reforms of early 1990s. The size of employment in public sector, as provided by Director General of Employment and Training (DGET, Ministry of Labour) significantly reduced from 190.58 lakh persons in 1991 to 176.09 lakh persons in 2012. Further, the size of employment in private organised sector increased at less than desired rate from 76.77 lakh persons to 119.7 lakh persons during the period. The absolute decline of 14.49 lakh regular salaried jobs in public sector since 1990s, thus seriously affected the opportunities for decent employment, particularly for population groups belonging to Scheduled Castes (SCs) and Scheduled Tribes (STs), who are entitled for reservation in such jobs by the Indian Constitution.

The growing employment opportunities, though at a very slow pace, in the private organised sector have definitely benefited SCs and STs. But their access to such jobs in the private sector is still much less than their proportionate share in population. There has been a big debate on extending reservations in private sector jobs in the organised sector during last decade (Thorat et al. 2007).

The question of access to regular employment opportunities has again attracted a huge public attention recently, particularly in the context of demand for reservation of employment in public sector by other social groups. This issue of extending reservation in public sector jobs to various population groups has also made political upheavals and public unrests in the past. The recent agitation by Patel community in Gujarat and Jat community in Haryana demanding reservations in public sector jobs only shows how society attaches high values to regular employment in public sector.

While there is a rich body of literature available on employment and unemployment issues in India, there are two major gaps which have not been adequately addressed for understanding development in the Indian labour market. One is the extensive analysis of regular employment opportunities from the perspective of tenurial and social security across different types of enterprises, i.e. public, private and informal in India and its states. Second is the access of marginalised groups such as SCs, STs and Muslims to regular employment. There is hardly any study which could explain determinants of participation of different disadvantaged groups in access to quality regular jobs. This assumes importance in the present day context as the growing casualisation and contractualisation of employment both in public and private sector has adversely affected the quality of jobs for all but more so for SCs and STs (Kannan 2014). As is well known, SCs and STs are historically poor and socially excluded groups who are entitled for reservation in public education, employment and political participation by Constitution of India for overcoming such historical disadvantage. Later the benefits of reservation were extended to OBCs also. This paper is an attempt to fill this gap. The paper finds informal sector as a major source of regular employment in India which hardly meets the criteria of decent work. A large number of regular employment that was created between 2004–05 and 2011–12 also was devoid of tenurial and social security benefits, and the access to quality jobs in private corporate sector yet remains far low for SCs and STs as compared to other social groups.

The paper is organised in the following fashion. Section 2 discusses the data used in the study and methodology adopted for the analysis of access to decent jobs. The next section analyses the features of regular employment and determinants of its access to various social groups are explained with the help of Logit model in Section 4. The concluding section comments on findings and offers policy suggestions for achieving decent employment crucial for inclusive development and poverty reduction.

2 NEED OF THE STUDY, DATA AND EMPIRICAL FRAMEWORK

As mentioned above, regular/salaried jobs are the most sought after form of employment. In India, National Commission for Enterprises in the Unorganised Sector (NCEUS) has discussed extensively the quality of work like employment security, wage rate, working conditions and social security to wage and self-employed workers (NCEUS 2009). Various studies like Papola (2004, 2011), Chen et al. (2006), Harriss-White (2010) etc. have focused on quality of employment and

the problem of working poor in India, which were exclusively centred around informal economies and informal nature of employment. For the first time NCEUS (2009) made a departure from this notion of treating informal employment with informal sector and estimated a sizeable share of informal employment even in formal sector in the Indian economy. Following NCEUS framework, recent studies show how share of informal employment in the formal sector has been rising from 41 percent in 1999–2000 to 48 percent in 2004–05 and 58 percent in 2011–12 with the growing contractualisation of employment. (IHD-ISLE 2014; D'souza 2015; Goldar and Suresh 2017; Srivastava and Naik 2017). Concerns have been raised for this increasing 'informalisation of employment in formal sector' (IHD-ISLE 2014). The NSSO defines regular wage/salaried employee as "those who worked in either farm or non-farm enterprises (both household and non-household) and in return received salary or wages on a regular basis". It includes not only those who get time wage but also those who get piece wage or salary, apprenticeship, full or part-time. Thus given its diverse nature which comes from definition, all regular work cannot be taken as synonym to decent work. This is the rationale behind this study to examine in depth the quality of regular employment on the basis of two conditions of tenurial and social security. The paper is based on unit record data of *quinquennial* rounds of National Sample Survey Organisation (NSSO) on Employment and Unemployment Survey (EUS) of 55th, 61st and 68th round coinciding with agriculture year 1999–2000, 2004–05 and 2011–12. For the study, we have categorised the employers of regular workers into three types of enterprises, i.e. (a) public sector enterprises consisting of all kinds of government departments, autonomous/sub-ordinate organisations supported by government finances, etc.; (b) private sector enterprises consisting of public and private limited companies/organisations, voluntary and other firms/organisations (broadly matching the features of private organised sector); and (c) Informal sector enterprises including proprietary/partnership firms and individual employers households employing domestic helps, security guards, etc. The data thus grouped are comparable for the years 2004–05 and 2011–12 whereas the same is not strictly comparable for earlier period 1999–2000. Given this limitation, we shall confine our in depth analysis for the period 2004–05 to 2011–12 with some analysis for the year 1999–2000 wherever it was possible. Since one of the objectives of the paper is to examine the access of regular employment opportunities to different social and religious groups, we have considered here to include Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes excluding Muslim OBCs (OBCs), Others excluding Muslims (OCs) and Muslims (including both OBCs and general categories). We have used Logit model to understand the determinants of access to regular employment opportunities, and more so the quality of employment only for one point of time, i.e. 2011–12. The quality of regular employment is assessed in terms of regular jobs providing tenurial security along with some social security. The likelihood of access to quality regular employment is analysed through personal and household characteristics of individual measured through educational levels of labour force, social belonging, gender, place of residence and enterprise type. The dependent variable Quality regular employment (Q_{re}) is binary variable with the

value 1 if a particular regular worker has defined characteristics and 0 otherwise. Symbolically it can be written as:

$$Q_{re} = \begin{cases} Q_{re} = 1 & \text{if } WC > 1 \& SS < 8 \\ Q_{re} = 0 & \text{if } WC = 1 \& SS > 7 \end{cases}$$

$$P_i = P\{Q_{re} = 1 | X_i\}$$

$$\ln\left(\frac{P_i}{1 - P_i}\right) = \Lambda(X_i' \beta)$$

Where $\sim(\cdot)$ is logistic distribution, X is $(K \times 1)$ vector of explanatory variables discussed above. It is to be mentioned that model is estimated with state fixed effect. β is vector of unknown parameters which has been estimated through maximum likelihood method from the unit record data of EUS for the year 2011–12. At the all India individual sample of regular workers was around 40197 persons (Table 1). Among them, a total of 39565 persons provided information about type of enterprise where they were working.

3 NATURE AND PATTERN OF REGULAR EMPLOYMENT

As mentioned earlier, over 18.4 per cent of Indian workforce was working in regular salaried jobs during 2011–12 (NSS 2012). The share has improved over the years but more rapidly in the recent period of high economic growth between 2004–05 and 2011–12. For the first time in India's history, the absolute number of workers in agriculture declined by 32.3 million between 2004–05 and 2011–12. As compared to an overall low employment growth rate of only 0.5 per cent, the non-agricultural workforce grew by 3.1 per cent annually over this period. Moreover, the number of regular salaried workforce grew by 3.2 per cent per year, as compared to an annual decline of 0.7 per cent in the self-employed workforce, and a more modest increase of 1.1 per cent per year in the casually employed workforce (Srivastava and Naik 2017).

Such growth in regular employment opportunities was experienced variedly by workers belonging to various social groups, thereby improving their shares in regular employment. However, marginalised social groups lagged behind the OCs in their shares in regular employment (Table 2). The dependence on casual wage labour is highest among SC workers, followed by STs. Among OBC and Muslims

Table 1 Sample size of different variables, 2011–12

Dependent variable	Observation	Percent
Regular employment without tenurial and social security (non-quality) (0)	26241	65.28
Quality regular employment with tenurial and social security (quality employment) (1)	13956	34.72
Total regular employment	40197	100

Source: NSS unit record data 68th NSS round

Table 2 Percentage share of regular employment of different socio-religious groups in their total employment in India

Employment type/socio-religious group	1999–00	2004–05	2011–12
ST	7.0	7.4	9.0
SC	10.9	13.2	15.8
Muslim	13.8	13.5	16.6
OBCs	11.8	13.0	16.2
OCs	24.7	25.2	30.0
All	14.6	15.3	18.4

Source: Authors' calculation from NSS unit record data

workers, the proportion of casual workers was about 28 per cent each, and lowest at 13 percent among OCs.

It is attempted here to analyse the nature and access of regular employment available to Indian workforce, with a particular focus on SCs, STs and Muslims. As discussed in the previous section, about 87 million workers were working in regular salaried jobs in India, accounting for about 18.4 per cent of total workforce in 2011–12. Among regular salaried workers, there were 14.24 million SCs, 4.35 million STs and another 9.38 million Muslims.

How are regular employees distributed across various types of their employers? Based on the criteria for categorisation of various categories of employers as mentioned in Section 2, around 30 per cent of regular salaried workers were employed in public sector, another 22.6 per cent in private sector and remaining 47.5 per cent in informal sector, including about 1.4 per cent with employer households in 2011–12. There are significant differences in the opportunities of regular salaried employment across the social groups.

For STs and SCs public sector emerges as a major source of regular employment opportunities as over half of the regular employment opportunities for STs and that about one-third for SCs are in public sector. For Muslims, a lowest 16.7 per cent of their regular salaried workers get jobs in public sector. Nearly 12 per cent of regular employment of STs and around 16 per cent of SCs and Muslims is contributed by private sector. Thus, regular employment opportunities for a highest two-thirds of regular Muslim workers and that for over half of SCs and OBCs are created outside the public and private sector, i.e. informal sector, which are mostly menial in nature. The situation of OCs is much better than SCs, OBCs and Muslims as the former's share is much higher in public and private sector employment (Table 3).

How have opportunities of regular salaried employment grown over the years for different social groups across different types of enterprises? This is given in Table 4 below. Regular employment in public sector increased annually by about 2 per cent during the period 2004–05/ 2011–12. The growth in public sector employment has been significantly higher in the earlier period, 1999–2000/ 2004–05. However, the growth in the number of regular workers in public sector belonging to various social groups varied significantly over the years. In the recent period, 2004–05/ 2011–12, it has been lowest for OCs and Muslims (about 0.7 per cent), followed by SCs (1.7 per

Table 3 Distribution of regular salaried employment by type of enterprises (in %)

Socio-religious group	Public enterprises	Private enterprises	Informal enterprises ^a	Total
1999–2000				
ST	51.21	11.70	37.09	100
SC	41.42	13.37	45.20	100
Muslims	22.22	12.23	65.56	100
OBCs	31.31	15.33	53.36	100
OCs	37.51	19.95	42.54	100
Total	35.62	16.69	47.69	100
2004–05				
ST	52.63	9.42	37.95	100
SC	35.96	12.33	51.71	100
Muslims	23.53	9.73	66.74	100
OBCs	29.56	16.27	54.17	100
OCs	36.16	22.13	41.71	100
Total	33.54	16.93	49.54	100
2011–12				
ST	53.17	11.96	34.87	100
SC	32.59	16.69	50.72	100
Muslims	16.72	16.03	67.25	100
OBCs	27.79	21.30	50.91	100
OCs	31.65	29.86	38.49	100
Total	29.98	22.56	47.46	100

^aIncludes employer's households accounting for a negligible share in total regular employment. This note also applies to rest of the tables wherever applicable

Source: Authors' calculation from NSS unit record data

cent), but highest for OBCs (6.6 per cent) and STs (6.1 per cent). There has been a fast deceleration in growth rates of regular employment in public sector for SCs and Muslims between two periods, i.e. 1999–2000/ 2004–05 and 2004–05/ 2011–12, whereas the opposite was the trend in case of STs (Table 4). Growth of employment opportunities for OBCs in public sector, however, marginally decelerated. Such vast differences in growth in regular employment in public sector could be due to better reinforcement of OBC and ST quota in government jobs in recent years.

Private sector consistently performed better than public sector and informal sector in creating regular employment opportunities since 1999–2000. This could be due to neo-liberal policies promoting increasing role of private sector since early 1990s. Private sector alone contributed a highest 61.6 per cent to additional regular employment (totalling 11.07 million persons) opportunities generated during the period. This acceleration in growth in employment has also been observed by recent studies on organised manufacturing sector after an almost jobless growth during 1990s (Goldar and Suresh 2017). Interestingly, all social groups benefitted from this high growth but OBCs benefitted the most. Growth in their numbers in private sector jobs almost doubled from 10.7 per cent per annum during 1999–2000/

Table 4 Trends in annual growth rates in regular salaried employment for SCs and others

Socio-religious group	Public enterprises	Private enterprises	Informal enterprises	Total
1999–2000 to 2004–2005				
ST	1.29	– 1.50	0.48	0.70
SC	5.61	7.78	10.69	8.35
Muslim	5.36	– 0.33	3.60	3.56
OBCs	7.06	10.67	8.46	8.37
OCs	– 0.11	4.59	0.33	1.02
All	3.09	6.12	4.91	4.47
2004–2005 to 2011–2012				
ST	6.17	9.70	4.74	6.01
SC	1.69	7.68	2.85	3.13
Muslim	0.72	13.57	5.87	5.75
OBCs	6.66	22.07	11.12	11.55
OCs	0.74	7.17	1.50	2.68
All	2.07	8.05	3.08	3.71
1999–2000 to 2011–2012				
ST	4.11	4.88	2.94	3.77
SC	3.31	7.72	6.05	5.27
Muslim	2.63	7.56	4.92	4.84
OBCs	4.87	9.31	5.44	5.95
OCs	0.39	6.09	1.01	1.98
All	2.49	7.24	3.84	4.03

Source: Authors' calculation from NSS unit record data

2004–05 to over 22 per cent during the later period, 2004–05/ 2011–12 (Table 4). Next to OBCs, Muslims experienced a phenomenal growth of about 14 per cent in their employment in private sector during 2004–05/ 2011–12.

In informal sector, the growth in regular employment opportunities was comparatively high as compared to public sector, and OBCs and Muslims experienced faster growth in employment therein since 1999–2000. For SCs the growth in regular employment opportunities in informal sector was highest over 11 per cent during 1999–2000 to 2004–05, which decelerated steeply to 2.8 per cent during the later period, 2004–05/ 2011–12. For Muslims and OBCs growth in such employment accelerated (Table 4). The reasons for such varying growth in regular employment opportunities among SCs in informal sector could be linked to their corresponding higher growth in casual wage employment during 2004–05/ 2011–12, thereby implying a very thin difference in switching between regular jobs in informal sector and casual wage labour. Many times, casual wage employment fetches higher wages for such workers in comparison to those in so called regular jobs in informal sector. In such situations, workers withdraw themselves from informal sector regular jobs and work in casual wage works. The boom in construction industry in recent years is a case which offered casual wage

for a long duration at a relatively higher wages than prevailing in the informal sector activities.

3.1 Representation of various groups in regular salaried jobs

How SC/STs and Muslims are represented in regular employment opportunities as compared to OBCs and OCs in public and private sector? The representation of SC/ST in public sector regular employment has been fairly proportionate to their respective shares in all India population. This has been largely possible due to reservation of employment for these two groups in public sector employment. It has fairly improved since 1990s after the active involvement of judiciary in the implementation of reservation in the public sector. Muslims are grossly under-represented in public sector employment opportunities and their relative share in such jobs did not improve much over the years. The reasons for their under-representation in such jobs and need for affirmative measures to promote their share have been well outlined in both Sachar Commission (GoI, Ministry of Minority Affairs, 2006) and recently by Kundu Committee (GoI-Ministry of Minority Affairs, 2014).

In private sector regular employment opportunities, the share of SCs, STs and Muslims is still low in proportion to their share in population, but more so in the case of STs and Muslims. OBCs also remain under-represented in private sector jobs but their representation tended to improve due to faster growth in their employment during recent years. In informal sector regular wage employment, SCs and Muslims are fairly represented (Table 5).

The case of OBCs is worth mentioning here in the context of their representation in regular employment opportunities in the country. They experienced a rapid improvement in their share in regular wage employment in public sector as well as private sector, but yet remain underrepresented in proportion to their share in total population. The rise in the share of OBCs in public sector could be directly due to reservation. But the rise in their share in private and informal sector is worth to mention (Table 5). This has been associated with the significant improvement in their educational levels in recent years and faster withdrawals from farm related jobs. In brief, OCs though represent proportionately larger share in regular employment in public as well as private sector, the higher growth in employment for SCs, STs and OBCs has been gradually bridging the gap in their relative share in such employment (Table 5). This is definitely a positive trend which can be associated with higher economic growth that created regular employment opportunities in private as well as informal sector particularly after 1999–2000, benefitting marginalised groups.

3.2 Regular salaried employees across industry of employment

Which are the major industries that provide regular employment opportunities to workers belonging to different social groups in India? For this we have calculated proportional distribution of SCs and OCs across one-digit industrial classification of industries for the year 2011–12, and is given in Table 6 below. As emerges from the

Table 5 Representation of different socio-religious groups in regular salaried employment by type of enterprise (in %)

Socio-religious group	Public enterprises	Private enterprises	Informal enterprises	Total	% workers
1999–2000					
ST	7.06	3.33	3.92	4.95	11.1
SC	16.15	11.46	13.56	14.16	20.3
Muslim	5.82	7.27	13.26	9.66	9.9
OBCs	23.26	24.83	29.5	26.53	33.1
OCs	47.71	53.12	39.77	44.7	25.8
All	100	100	100	100	100
2004–05					
ST	6.47	2.29	3.16	4.12	9.8
SC	18.22	12.38	17.73	16.99	19.9
Muslim	6.48	5.31	12.45	9.24	10.3
OBCs	28.08	30.62	34.84	31.86	37.5
OCs	40.75	49.4	31.82	37.79	22.5
All	100	100	100	100	100
2011–12					
ST	8.52	2.55	3.53	4.8	10.2
SC	17.75	12.08	17.45	16.33	19.1
Muslim	5.91	7.53	15.01	10.59	11.7
OBCs	30.63	31.2	35.44	33.04	37.6
OCs	37.19	46.64	28.56	35.23	21.4
All	100	100	100	100	100

Source: Authors' calculation from NSS unit record data

Table 6, over three-fourths of public sector jobs are concentrated in public administration and other services, whereas nearly half of the regular jobs in private sector are available in manufacturing industries. Another one-fourth of regular jobs in private sector are contributed by other services, mainly consisting of education, health and other basic services. The structure of regular employment is significantly diversified in informal enterprises, which employed almost half of the regular salaried workers in 2011–12. Industry sectors such as trade and transport have sizeable share in employment apart from manufacturing and other services in informal enterprises. This pattern of distribution of regular workers across industry groups is almost similar for SC and OC groups (Table 6). A notable difference, however, exists among SC and OC regular workers with respect to their relative shares in trade, hotels and other services in informal sector. The share of SCs in hotels and restaurant jobs is proportionately very low as compared to OCs. Their share is comparatively much higher in transport related jobs and other services. Such smaller share of SCs in hotel industry related jobs could partly be associated with the discrimination which SCs generally face in accessing jobs in eateries and hotel industry (Vegard and Raghvendra 2006). The reverse is the case of other

Table 6 Percentage distribution of regular salaried employees across industry of employment and type of enterprise, 2011–12

Industry	SCs				OCs				Total
	Public enterprises	Private enterprises	Informal enterprises	Total	Public enterprises	Private enterprises	Informal enterprises	Total	
Agriculture	0.32	0.29	0.29	0.3	0.71	0.27	1.21	0.80	
Mining and quarrying	2.31	1.67	0.46	1.27	2.14	1.14	0.32	1.10	
Manufacturing	2.6	48.69	26.51	22.4	3.31	44.04	29.52	25.73	
Electricity, water, etc	5.61	1.72	1.34	2.8	5.52	1.07	0.49	2.16	
Construction	1.16	3.06	4.75	3.3	1.20	3.39	3.56	2.80	
Trade, hotel and restaurants	0.91	6.98	17.14	10.14	1.23	7.60	23.65	12.40	
Transport, storage and communication	10.19	12.00	16.83	13.85	8.98	15.01	12.63	12.20	
Other services	76.9	25.59	32.68	45.94	76.92	27.47	28.63	42.81	
Total	100	100	100	100	100	100	100	100	

Source: Authors' calculation from unit record NSS data

services where SCs are employed in cleaning and other menial services as workers from other castes are generally not willing to take such jobs considered as polluting ones.

4 QUALITY OF REGULAR EMPLOYMENT AND DETERMINANTS OF ITS ACCESS

Since regular salaried employment is considered as the most desirable form of employment which provides tenurial security with written job contract along with social security benefits, such as paid leaves, medical benefits, insurance, gratuity and provident fund etc. to workers. In fact such categorisation also meets two important conditions of ‘decent work’ as discussed in section I. The NSSO data allow us to identify such workers for two periods, i.e., 2004–05 and 2011–12 (see Tables 7 and 8).

Given the relatively higher growth rate in private sector regular jobs in this period, it is important to know the quality of regular employment generated. It is expected that all employees working in public as well as private organised sector should have at least written job contracts. Surprisingly, a significant share of regular workers working in public sector do not have any written job contract. The proportion of such workers has increased in public sector from about 23 per cent in 2004–05 to over 28 per cent in 2011–12. This is perhaps due to the fact that these workers are purely adhoc with no fixed period of appointment; it also reflects the emerging tendency of informalisation of employment in formal sector (D’Souza 2014). Furthermore, in private sector, over 60 per cent of regular workers do not have any written job contract, and this proportion has substantively increased between the period 2004–05/ 2011–12. Nearly three-fourths of additional regular employment opportunities generated in private sector and 61 per cent that in public sector during the period 2004–05/ 2011–12 did not provide any written job contracts to workers (Table 7). There have been considerable variations across social groups in this regard (Table 8).

In 2011–12, the proportion of workers, without any written job contract in private sector is comparatively higher among STs (68 per cent) and SCs (64 per cent), followed by OBCs (62 per cent) and lowest among OCs (57 per cent). The Annual Survey of Industries (ASI) data also clearly shows a steep rise in the proportion of contractual workers in private sector enterprises (from 14 per cent in 1995 to 34 per cent in 2010) (Goldar and Suresh 2017). These workers often do not have written job contract and social security coverage, and their working conditions are poor. Neither the contractor nor the principal employer takes responsibility of workers’ welfare (NCEUS 2009).

Table 7 Percentage share of regular workers without any written job contract

Type of enterprise	2004–05	2011–12
Public	22.98	28.06
Private	50.06	60.08
Informal	88.56	89.85
Total	60.01	64.62

Source: Authors’ calculation from NSS unit record data

Table 8 Share of regular employees having both written job contract and social security (in %)

Socio-religious group	Public enterprises	Private enterprises	Informal enterprises	Total
2004–05				
ST	64.66	24.49	4.50	38.05
SC	66.27	29.42	2.94	28.98
Muslims	63.95	30.81	3.61	20.45
OBC	68.61	37.52	5.74	29.49
OCs	72.50	48.88	8.88	40.73
Total	69.21	41.47	5.94	33.17
2011–12				
ST	59.98	20.25	5.71	36.30
SC	58.63	24.04	3.20	24.74
Muslims	52.55	17.91	1.57	12.71
OBC	57.19	30.44	4.34	24.59
OCs	68.81	34.85	7.83	35.20
Total	61.73	30.52	4.77	27.66

Source: Authors' calculation from NSS unit record data

4.1 Written job contracts with social security

Along with the job security (i.e. written job contracts), social security is also one of the core components of decent employment. For the period 2004–05 and 2011–12, the proportional distribution of workers with both tenurial and social security has been calculated and is presented in Table 8. All regular employees in public sector do not enjoy both tenurial security and social security benefits—only about 62 per cent of regular employees working in public sector have some or other form of written job contract along with social security benefits. Thus, a substantive percentage (about 38 per cent) of public sector regular employees have precarious nature of jobs without any social security. This has been true for all regular employees belonging to various social groups but more so for Muslims, SCs and STs.

In case of private sector, the proportion of regular workers having some form of job contract along with social security is expectedly very less as compared to public sector, thereby indicating the vulnerability of almost 70 per cent of regular employees in private sector by the hands of their employers. Similar to public sector, the extent of such vulnerability is more so in case of Muslim, ST and SC regular workers as compared to OBCs and OCs in private sector. As obvious, almost all regular workers in informal sector are most vulnerable from the perspective of their job contract and social security (Table 8). In brief, an overwhelming majority of regular salaried employees in India did not have any form of written job contract and social security, implying the magnitude of precariousness of such employment opportunities. Muslim and SC regular workers suffer maximum with such vulnerability.

Has such vulnerability of workers reduced over the years? In fact it has significantly increased during the period 2004–05/ 2011–12, as the proportion of workers without job contract and social security increased by almost 10 percentage points both in public and private sectors. This general deterioration in the quality of regular employment has been witnessed by workers from all social groups but more so by Muslims (Table 8).

4.2 Regional disparities in quality of regular employment

It would be equally interesting to analyse the regional disparities in the access to regular employment opportunities and their quality in India. For this we have analysed the data pertaining to the year 2011–12 only. The share of regular workers in total workers varies from a highest 28 per cent in Punjab to a lowest 6 per cent in Bihar. Industrially advanced states such as Punjab, Tamil Nadu, Maharashtra, Gujarat, Haryana and Karnataka have proportionately high share of regular workers as compared to relatively less developed states such as Bihar, Chhattisgarh, Uttar Pradesh, Jharkhand, Rajasthan, Orissa, Madhya Pradesh and Assam (Appendix Table 1). In most less developed states, public sector is a major source of regular employment opportunities. Understandably, these states have comparatively very low share of private sector in regular jobs, ranging between 6 per cent in Bihar to 18 per cent in Madhya Pradesh. In relatively developed states such as Karnataka, Haryana, Tamil Nadu, Maharashtra and Gujarat, private sector contributes about 25 to 38 per cent of regular employment therein.

Over half of the regular employment in Punjab, Tamil Nadu, Andhra Pradesh, West Bengal, Gujarat, Uttar Pradesh, Kerala and Rajasthan is contributed by informal enterprises in these states. There is a significant correlation between the shares of private and informal enterprises in regular employment (0.49) among states, indicating strong linkages between the two sectors in generating regular employment opportunities.

How do regular employment opportunities withstand to select features of decent work, i.e. security of job tenure and social security benefits? In public sector enterprises over 80 per cent of regular workers are covered by tenurial security and social security as well in most of the north-eastern states, Jammu & Kashmir, Bihar, Rajasthan, Himachal Pradesh and Uttarakhand. The proportion of such regular workers is far less (50 to 65 per cent) in Tamil Nadu, Haryana, Punjab, Maharashtra, Gujarat and Karnataka, thereby showing an unsecured regular employment in public sector for a sizeable number of regular workers. The situation of quality employment in private sector is grave and widespread across states in India as the proportion of regular workers enjoying both tenurial security and social security therein do not exceed 30 per cent in most of the states. Understandably, informal sector lacks such quality jobs across all states.

4.3 Disparity in daily earnings in regular employment

While public sector jobs fetch highest salaries to all employees belonging to various social groups as compared to their counterparts in private sector and informal sector,

the relative difference is quite huge between salaries offered by public and informal enterprises. A regular worker in public sector enterprises earns almost 2.84 times more than her counterpart in informal sector. Such difference in wage earnings is comparatively less stark between public and private sector (Fig. 1). This broad pattern in earnings stands for workers belonging to different social groups. However, there exists substantive differences in wage earnings for workers of various social backgrounds even within each category of enterprises. For example, the average earning of a SC worker is less by one-third than that of OC worker in public sector enterprises. In private sector, a SC worker earns less than half of OC worker. In informal sector, a SC worker earns less by one-third than of OC worker. Almost similar situation is seen in earning differentials of Muslims and OCs, but earnings of Muslims are slightly better than SCs.

Thus, the relative wage gap between SC and OC regular workers are less severe in public as well as informal sector enterprises as compared to that in private sector. Wage discrimination is less likely in the public sector due to better adherence to wage rules, thereby minimising the wage differentials among workers of various social groups. The explanations for low wage differential in informal enterprises are largely due to their poor productivity/income levels. Wage discrimination is more likely to occur in private enterprises (Madheswaran 2017)

4.4 Determinants of access to quality jobs

Here below as mentioned above, a Logit model of access has been fitted to decent regular employment in total regular employment. The maximum likelihood estimate results of the Logit model are given in Table 9. All estimated coefficients are significant at 1 percent level. Education emerges as a crucial determinant in getting the decent regular employment when controlled for other variables. As expected and also as per human capital argument, in reference to the not literate individual, the likelihood of getting quality regular job increases with the education level as all the

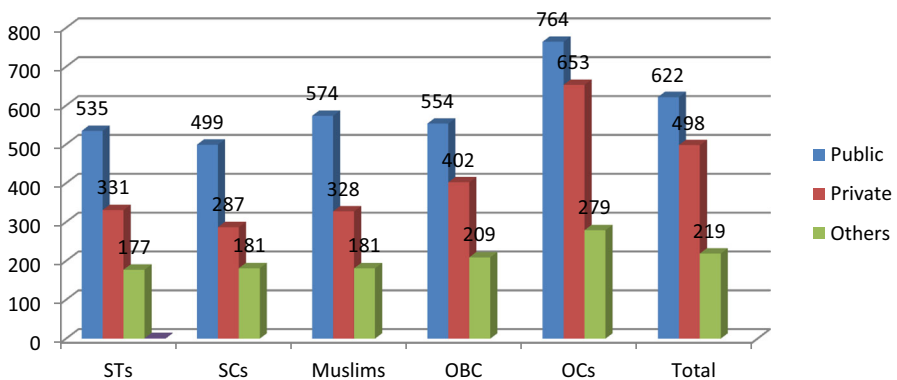


Fig. 1 Average Daily Wage Earnings per Regular Worker by Type of Enterprise and Social Group, 2011–12. *Source:* Average daily wage earnings are calculated from NSSO unit level data on Employment and Unemployment, 2011–12

coefficients are positive. Further, negative sign of the coefficient for female relative to male shows the prevalence of gender bias in access to quality regular jobs. As quality regular jobs are mostly concentrated in urban areas, this improves the chances of getting decent jobs of workers residing in urban areas as compared to those living in rural areas. Thus, female living in rural areas will have least probability of getting into decent regular employment.

Despite declining share of employment in public sector, this sector remains the best source of quality jobs. The likelihood of getting decent jobs in private sector as compared to public sector is 14 times less ($p > -1.42$ for private enterprises and $p > -3.24$ for informal enterprises). Thus better educated male individual residing in urban area and employment in public sector has higher likelihood of getting decent employment (Table 9).

In order to see the effect of education on access to decent regular jobs between different social groups and gender mean predicted probability has been estimated and reported in Table 10 and 11 below. As the aggregate predicted probability shows, the chance of getting quality regular employment has been around 0.35. Such aggregate predicted probability is observed to be highest among STs, followed by OCs, OBCs, SCs and least for Muslims (Table 10). However, such chances vary significantly for workers having different educational levels as coefficient (ML estimate) shows the lowest probability for not literate and highest for the individuals with education level of graduates and above. An important feature worth to be mentioned here relates to the social group effect on getting access to quality jobs even for having the same level of education of workers belonging to different socio-religious groups. For example, the predicted probability of workers with graduate and above level of education is observed to be highest among STs (0.65), followed by OCs, SCs, OBCs and least for Muslims (0.49). SCs seem to be closer to OCs in their chances of getting access to quality regular employment in Indian labour market across different educational levels, thereby suggesting a positive feature of equal access. However, predicted probability of access of OBCs and Muslims is consistently lower than STs, OCs and SCs across different levels of educational attainments of regular workers (Table 10). As mentioned earlier, due to positive discrimination in public sector employment for STs and SCs, their chances for getting quality jobs certainly are better. However, their access to regular employment opportunities in private sector has been less than their proportionate share in population.

Between male and female, the former has higher probability of being in quality regular jobs. At different levels of education, the probability for female has been lower than the male except for middle and secondary level of education for which both have equal level of probability. However, the difference in the predicted probability has been higher for diploma and graduate & above level of education (Table 11).

Table 9 Estimation results of logit model

Dependent variable	Coefficient	SE	P > z	Confidence Interval	
				Lower	Upper
<i>Education level</i>					
Literate (primary)	0.225	0.002	0.000	0.2214	0.2282
Middle	0.382	0.002	0.000	0.3785	0.3851
Secondary	0.894	0.002	0.000	0.891	0.897
High. secondary	1.395	0.002	0.000	1.391	1.3985
Diploma and certificate	1.492	0.002	0.000	1.4887	1.4949
Graduate and above	1.800	0.002	0.000	1.7964	1.8031
<i>Gender</i>					
Female	- 0.393	0.001	0.000	- 0.3942	- 0.3909
<i>Social status</i>					
STs	0.118	0.002	0.000	0.115	0.121
Muslims	- 0.501	0.001	0.000	- 0.503	- 0.498
OBC	0.020	0.001	0.000	0.019	0.022
OCs	0.072	0.001	0.000	0.070	0.074
<i>Enterprise</i>					
Private	- 1.422	0.001	0.000	- 1.4234	- 1.4205
Others	- 3.242	0.001	0.000	- 3.2438	- 3.2402
<i>Sector</i>					
Urban	0.276	0.001	0.000	0.2751	0.2778
State fixed effect	Yes				
Constant	- 0.992	0.003	0.000	- 0.9986	- 0.9859

Reference groups in Edu_level, Gender, Social_grp, Ent_type and sector are not literate, male, public enterprises and rural area respectively. All the coefficient are significant at 1% level of significance

Source: Authors' calculation

Table 10 Predicted probabilities of estimated logit model for different social groups by level of education

Education level/ social group	SCs	STs	Muslims	OBC	OCs	Total
Illiterate	0.123	0.144	0.041	0.081	0.112	0.097
Primary	0.158	0.235	0.061	0.115	0.151	0.137
Middle	0.194	0.305	0.107	0.15	0.184	0.183
Secondary	0.343	0.457	0.233	0.297	0.345	0.337
H. secondary	0.471	0.581	0.321	0.381	0.483	0.443
Diploma	0.523	0.591	0.415	0.468	0.52	0.509
Graduate and above	0.589	0.649	0.494	0.523	0.595	0.572
Total	0.300	0.456	0.213	0.302	0.397	0.344

Source: Authors' calculation from logit model

Table 11 Predicted probabilities of estimated logit model for male and female by level of education

Educational_level/gender	Male	Female	Total
Illiterate	0.107	0.079	0.096
Primary	0.140	0.116	0.135
Middle	0.182	0.181	0.182
Secondary	0.339	0.332	0.338
H. secondary	0.454	0.407	0.443
Diploma	0.535	0.417	0.511
Graduate and above	0.605	0.490	0.574
Total	0.354	0.305	0.345

Source: Authors' calculation from logit model

5 CONCLUDING OBSERVATIONS AND POLICY ISSUES

This paper has shown how a majority of regular employment opportunities suffer from informality, characterised by precarious nature of jobs with no tenurial security, poor working conditions, extremely low levels of earnings and negligible social security during the phase of neoliberal policies. Even in private organised sector, which registered the highest growth in regular employment opportunities in recent years, majority of regular workers are bereft of tenurial and social security benefits and the proportion of such workers is increasing over the years. Though private sector has emerged as an important source of regular employment for all including SCs since the decline in public sector employment, it is yet to improve the representation of SCs, STs and Muslims in their workforce proportionate to their population. Access to regular jobs is further constrained by educational and social background of individuals and prevailing discrimination in labour market.

Average wage earnings of regular workers vary hugely across public, private and informal sectors and also among social groups. A large number of regular employment on offer fall short of quality, characterised as poor working conditions, low earnings and lack of social security, thereby making them vulnerable to income fluctuations and exploitation by employers.

The challenge therefore, is to create remunerative employment opportunities at a faster pace, particularly for youths who are increasingly becoming impatient with the political systems incapable of generating employment opportunities for them. Employment generation should be made central to development strategy as it is an important pillar for achieving inclusive development. This calls for measures to increase investment in the labour-intensive sectors, especially in the industrially backward and remote areas, which include measures for ease of doing business, infrastructure development, safety, good governance, and sound corporate social responsibilities and ethical practices on the part of industry.

The major challenge is to formalise the huge informal sector through scaling up its technology, production, productivity and decent employment. The strategy should be to redistribute the benefits of growth by the industry through creating more jobs with social security to workers. This will accelerate effective demand for the goods and services and create a virtuous cycle.

It is thus imperative to intensify policy initiatives to promote enterprise development, particularly among SCs/STs/Muslims in a big way under the current ‘Make in India’ programme. This would require more intensive implementation of ‘mentorship programmes for SC/ST entrepreneurs’ as promised under the Affirmative Action Policy by the private sector in 2006.

Another major challenge is to improve the educational development of youths. An alarming aspect is the increasing deficit of quality education and skill training. The deterioration in the quality of public educational institutions at primary, secondary and higher educational levels have most adversely affected the SCs/STs who are most dependent on these institutions. The major challenge is to improve access to quality education to all and to SC/STs in particular. Thus, public educational institutions, at both the school and higher levels need to be strengthened and made accountable for their quality and relevance. Private educational and training institutions also need to be monitored closely for the quality of teaching they offer and their fee structures. The current measures of skill development under the National Skill Development Mission need to be pegged up in a big way in order to address the skill shortages being faced by the Indian industry.

Last but not the least, employment expansion should be undertaken under the ‘decent work’ framework, ensuring fair and equal opportunities to everyone, increased productivity of workers, better working conditions, fair wages, skill development and social security. This also calls for building an ethical environment along with the usual business environment by employers as well as workers to leap into the next stage of inclusive development.

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APPENDIX

See Tables 12 and 13.

Table 12 Regional trends in the composition of regular employment, 2011–12. *Source:* Authors’ calculation from NSS unit record data

State	% share of regular employment in total employment	Distribution of regular employment by type of enterprise		
		Public	Private	Informal
Andhra Pradesh	18.24	28.52	16.08	55.40
Arunachal Pradesh	19.80	80.79	4.71	14.50
Assam	15.09	52.00	17.14	30.87
Bihar	6.02	51.20	6.20	42.60

Table 12 continued

State	% share of regular employment in total employment	Distribution of regular employment by type of enterprise		
		Public	Private	Informal
Chhattisgarh	10.16	47.61	13.87	38.51
Delhi	62.02	26.22	21.03	52.75
Gujarat	25.70	19.03	27.84	53.13
Haryana	25.57	29.80	36.27	33.92
Himachal Pradesh	18.00	53.95	17.95	28.11
Jammu and Kashmir	21.62	56.79	8.04	35.17
Jharkhand	10.83	49.42	15.78	34.80
Karnataka	23.29	23.49	37.58	38.93
Kerala	26.34	30.57	19.68	49.75
Madhya Pradesh	11.96	44.85	18.77	36.39
Maharashtra	26.47	22.75	32.20	45.05
Manipur	14.83	80.02	4.22	15.76
Meghalaya	16.75	66.52	11.34	22.15
Mizoram	23.08	85.93	2.31	11.76
Nagaland	22.26	89.51	1.29	9.20
Orissa	10.94	45.26	17.14	37.61
Punjab	27.88	24.61	18.29	57.10
Rajasthan	13.31	34.74	16.09	49.17
Tamil Nadu	26.77	19.65	24.93	55.42
Tripura	16.40	61.60	7.01	31.39
Uttar Pradesh	10.82	31.53	15.81	52.66
Uttarakhand	18.69	44.30	16.36	39.34
West Bengal	18.22	31.94	14.41	53.65
Total	18.41	29.98	22.56	47.46

Table 13 Regional trends in the quality of regular employment, 2011–12. *Source:* Authors' calculation from NSS unit record data

State	% of regular workers having written job contract and social security by type of enterprise		
	Public	Private	Informal
Andhra Pradesh	69.5	15.98	14.52
Arunachal Pradesh	89.23	1.28	9.49
Assam	75.33	20.79	3.89
Bihar	92.49	3.78	3.73
Chhattisgarh	83.57	8.46	7.97
Delhi	53.73	26.26	20.01

Table 13 continued

State	% of regular workers having written job contract and social security by type of enterprise		
	Public	Private	Informal
Goa	41.29	50.79	7.93
Gujarat	65.02	26.86	8.12
Haryana	63.99	29.69	6.33
Himachal Pradesh	87.17	8.14	4.69
Jammu and Kashmir	94.85	0.83	4.32
Jharkhand	78.33	16.62	5.04
Karnataka	51.26	38.04	10.69
Kerala	72.46	18.56	8.99
Madhya Pradesh	76.69	17.19	6.12
Maharashtra	50.74	39.71	9.54
Manipur	95.67	1.68	2.65
Meghalaya	89.29	4.66	6.04
Mizoram	98.58	0.33	1.1
Nagaland	98.67	1.15	0.18
Orissa	79.16	16.37	4.47
Punjab	65.00	28.15	6.85
Rajasthan	89.94	6.33	3.73
Tamil Nadu	60.91	29.86	9.23
Tripura	94.96	3.31	1.74
Uttar Pradesh	77.75	16.81	5.44
Uttarakhand	82.44	13.37	4.2
West Bengal	70.25	23.33	6.42
Total	66.92	24.89	8.19

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