

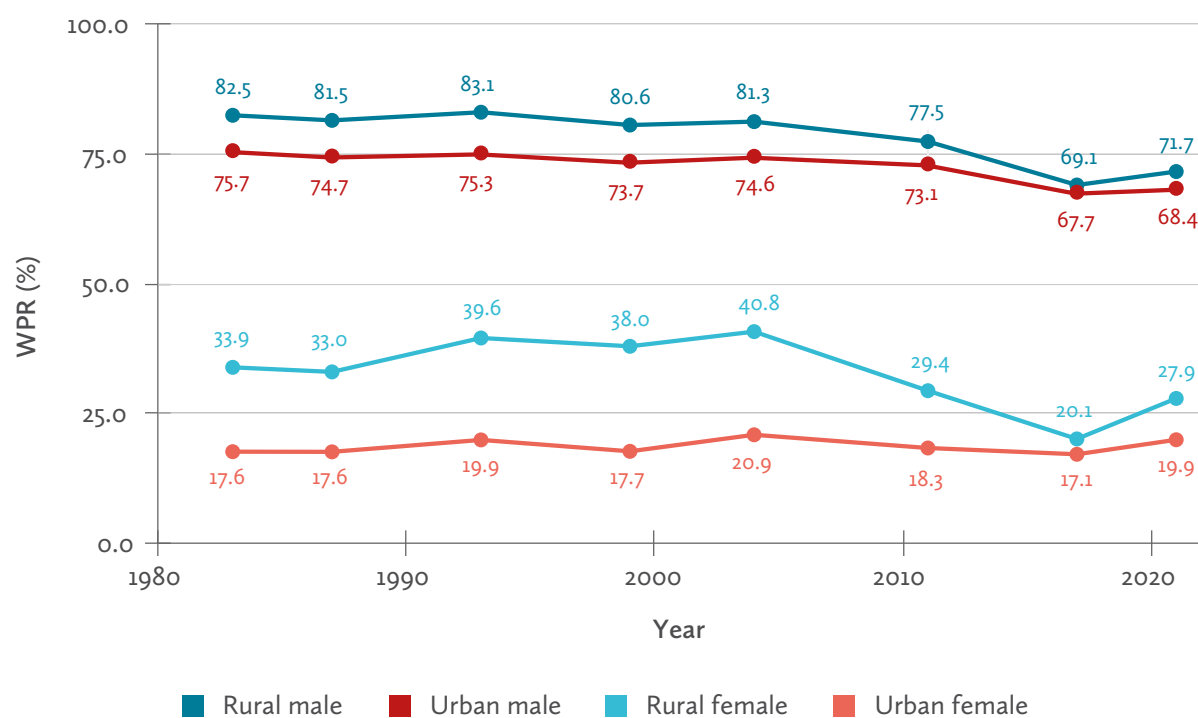
STATE OF WORKING INDIA 2023

Social Identities and
Labour Market Outcomes



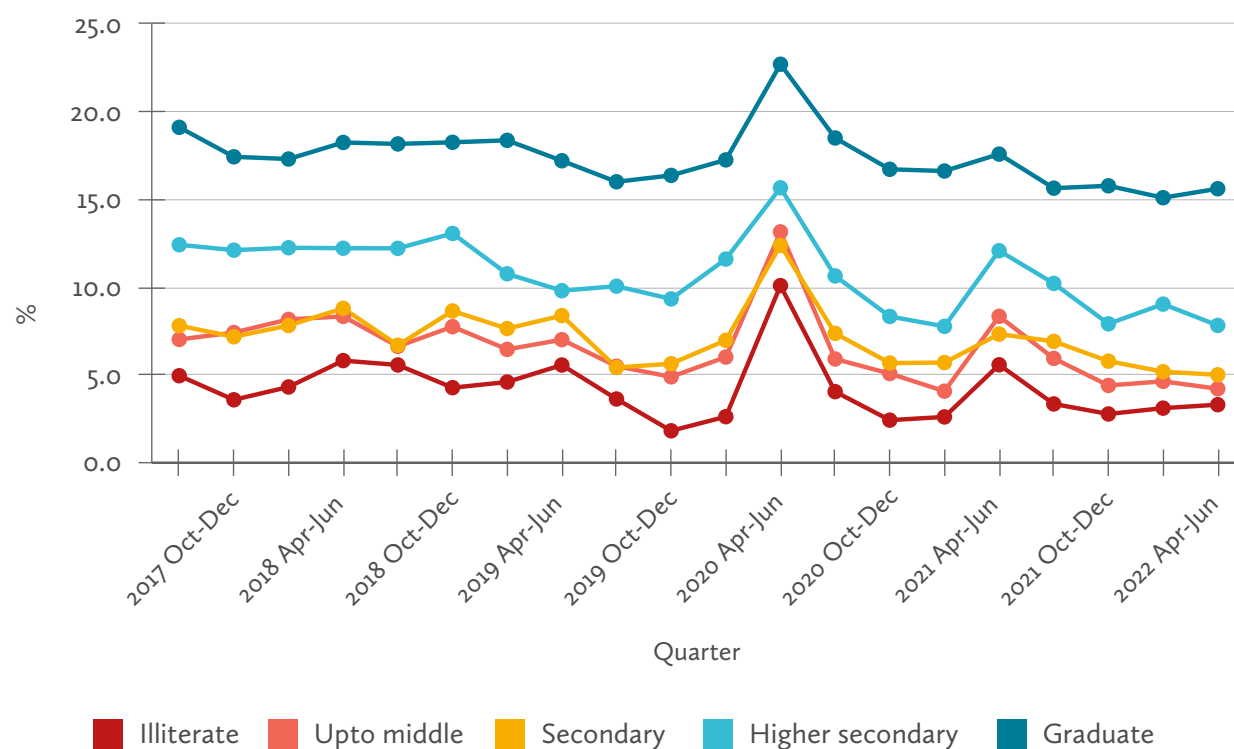
Graphs

Figure 2.1: Workforce participation rate over the long run for men and women in rural and urban areas



Sources and notes: NSSO EUS and PLFS, various years. Employment is defined based on Current Weekly Status.

Figure 2.2: Quarterly rate of unemployment by level of education



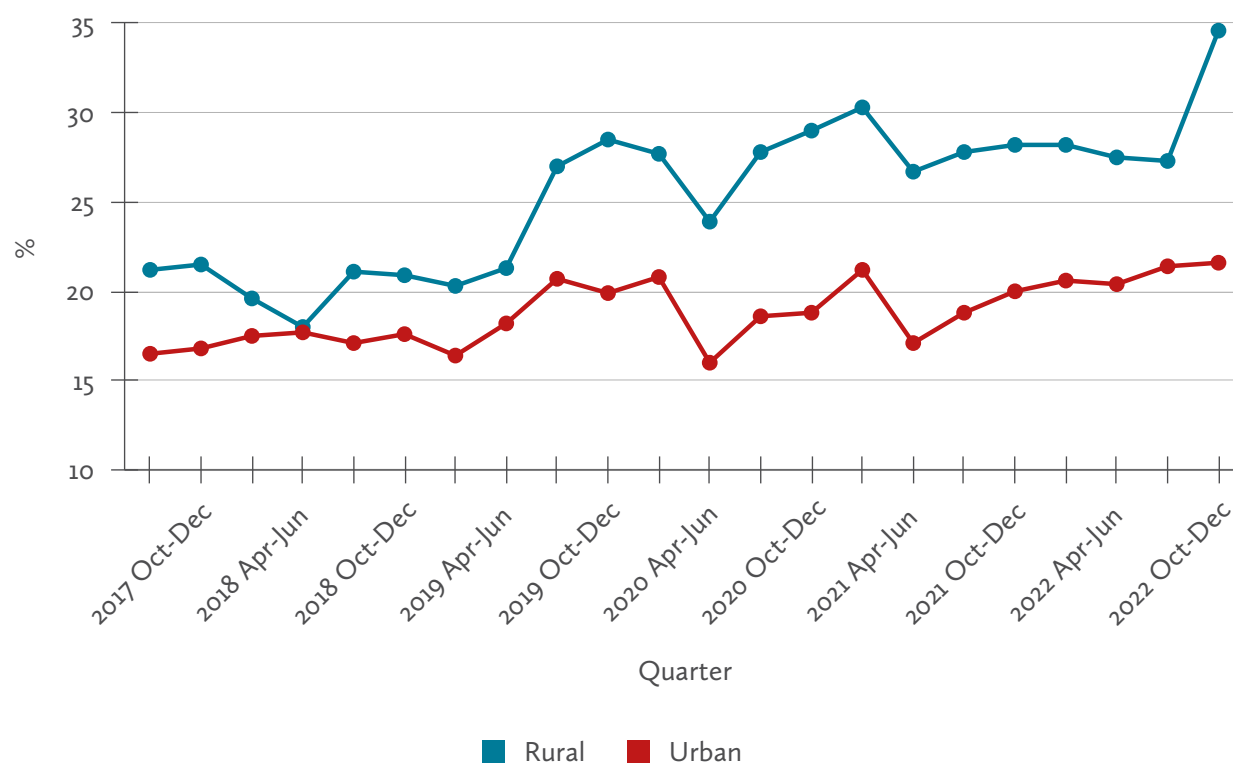
Sources and notes: PLFS, various quarters. Unemployment is defined based on Current Weekly Status.

Figure 2.3: Unemployment is concentrated among educated youth

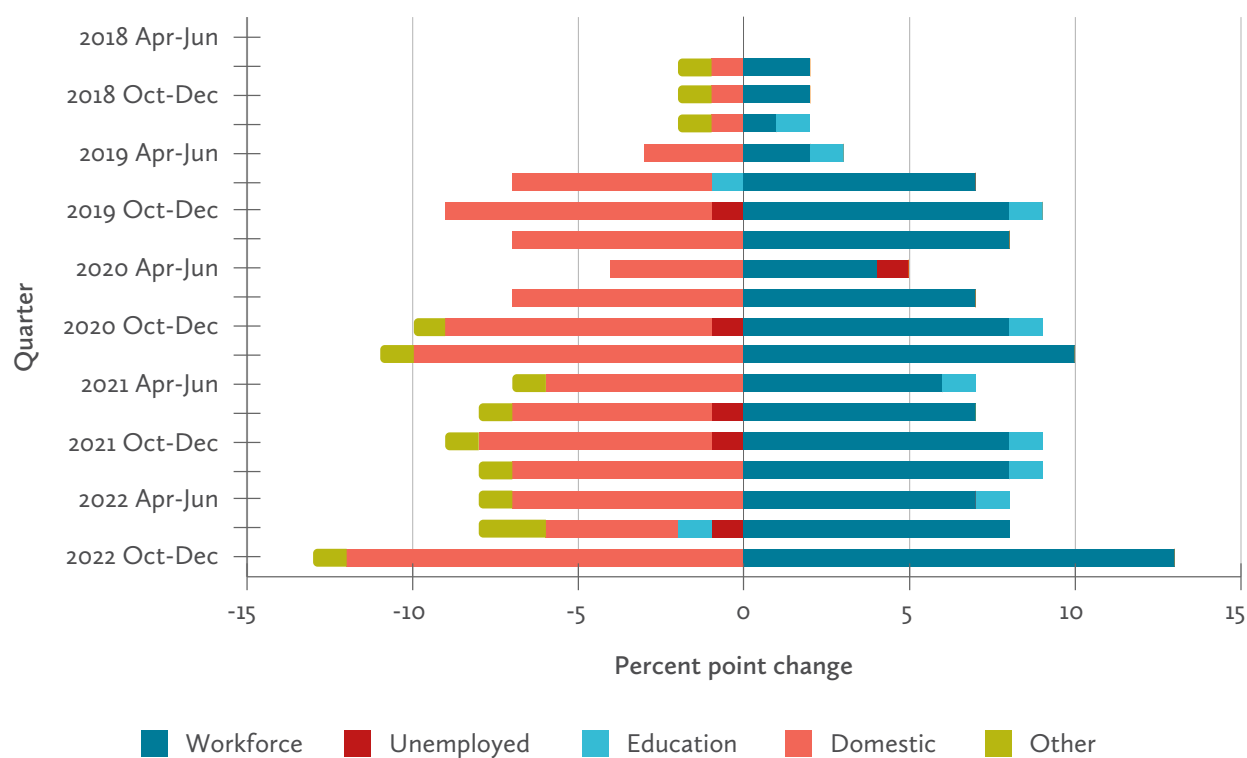
	Less than 25 years	25–29 years	30–34 years	35–39 years	40 years and above
Graduate & above	42.3	22.8	9.8	4.5	1.6
Higher secondary	21.4	10.6	5.0	3.1	2.1
Secondary	18.1	7.5	4.6	2.4	1.7
Primary or middle	15.0	5.4	3.0	2.4	2.2
Literate but below primary	10.6	3.3	1.5	2.4	2.2
Illiterate	13.5	4.3	4.0	3.4	2.4

Sources and notes: PLFS 2021-22. Employment is defined based on Current Weekly Status. Numbers in the boxes are unemployment rates (%). Colour shading is for ease of interpretation.

Figure 2.4: Workforce participation rate for women rose during the growth slowdown

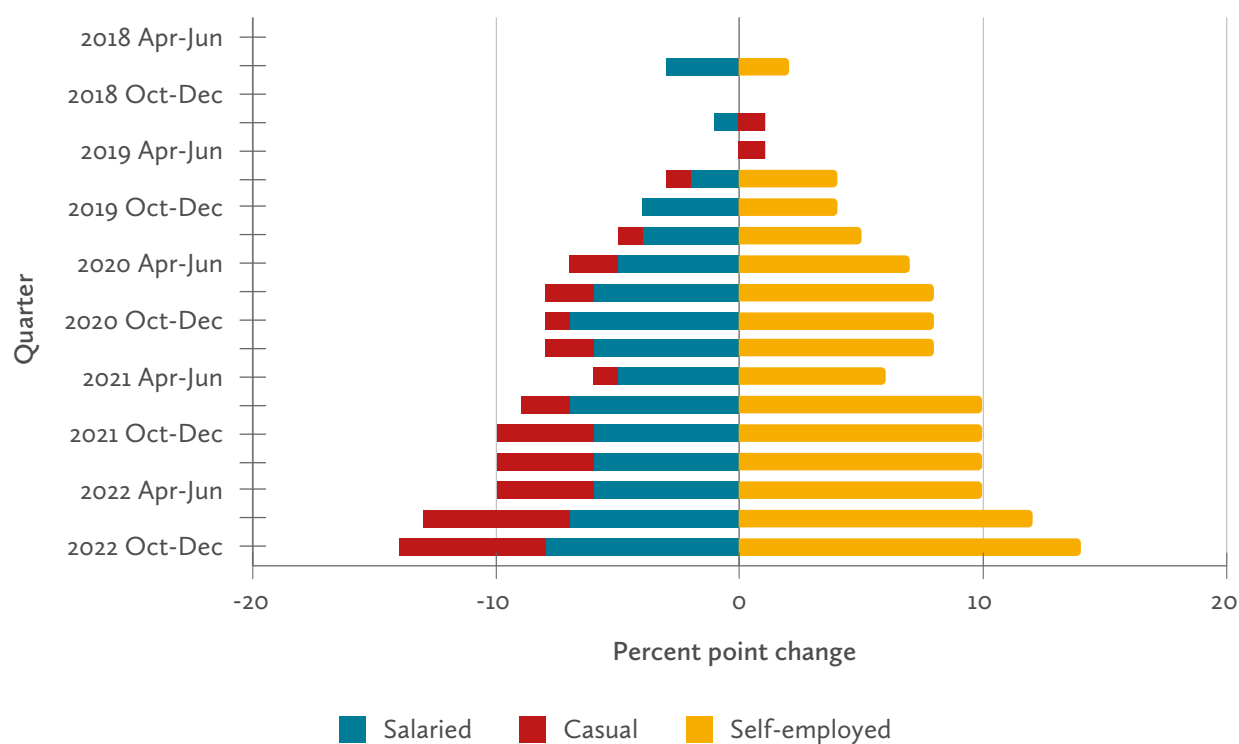


Sources and notes: PLFS various years. Employment is defined based on Current Weekly Status.

Figure 2.5: Shift from domestic duties to workforce participation for women

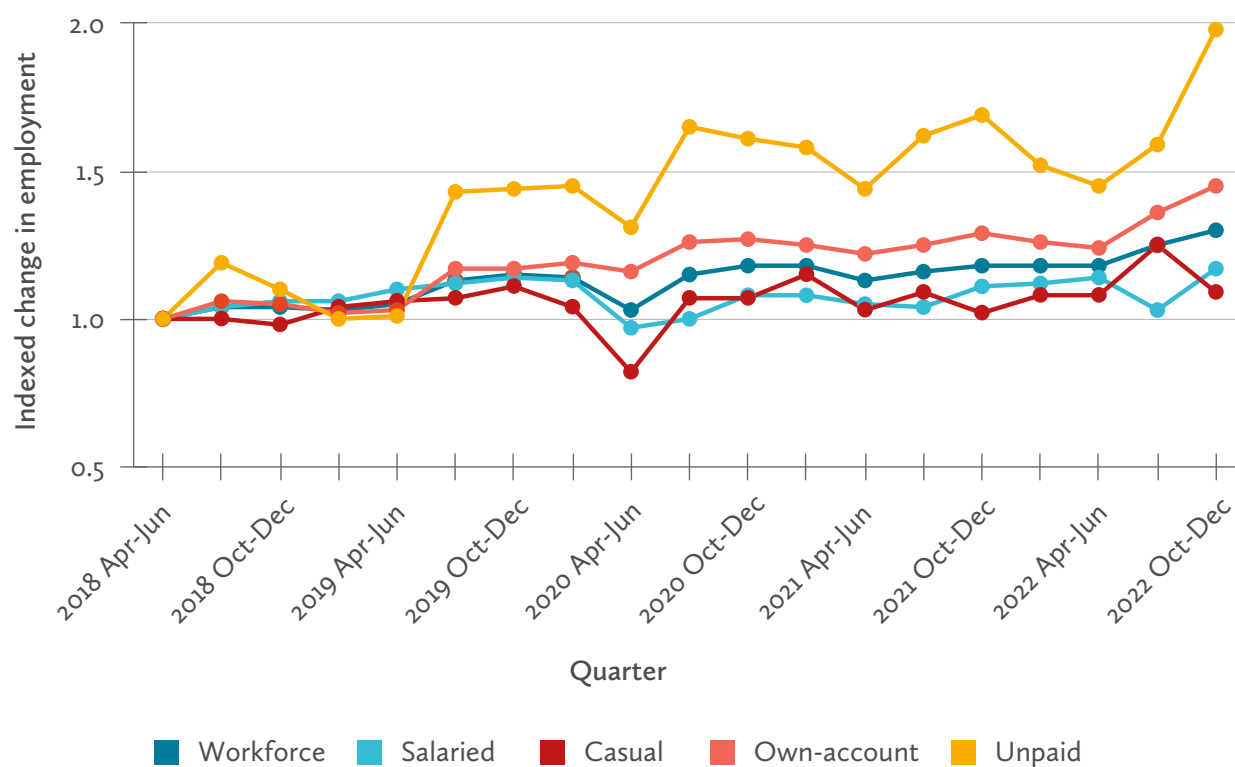
Sources and notes: PLFS various years. Employment is defined based on Current Weekly Status. Each bar indicates the cumulative percent point change as compared to the base quarter of April-June 2018.

Figure 2.6: Women largely entered self-employment and moved away from wage work



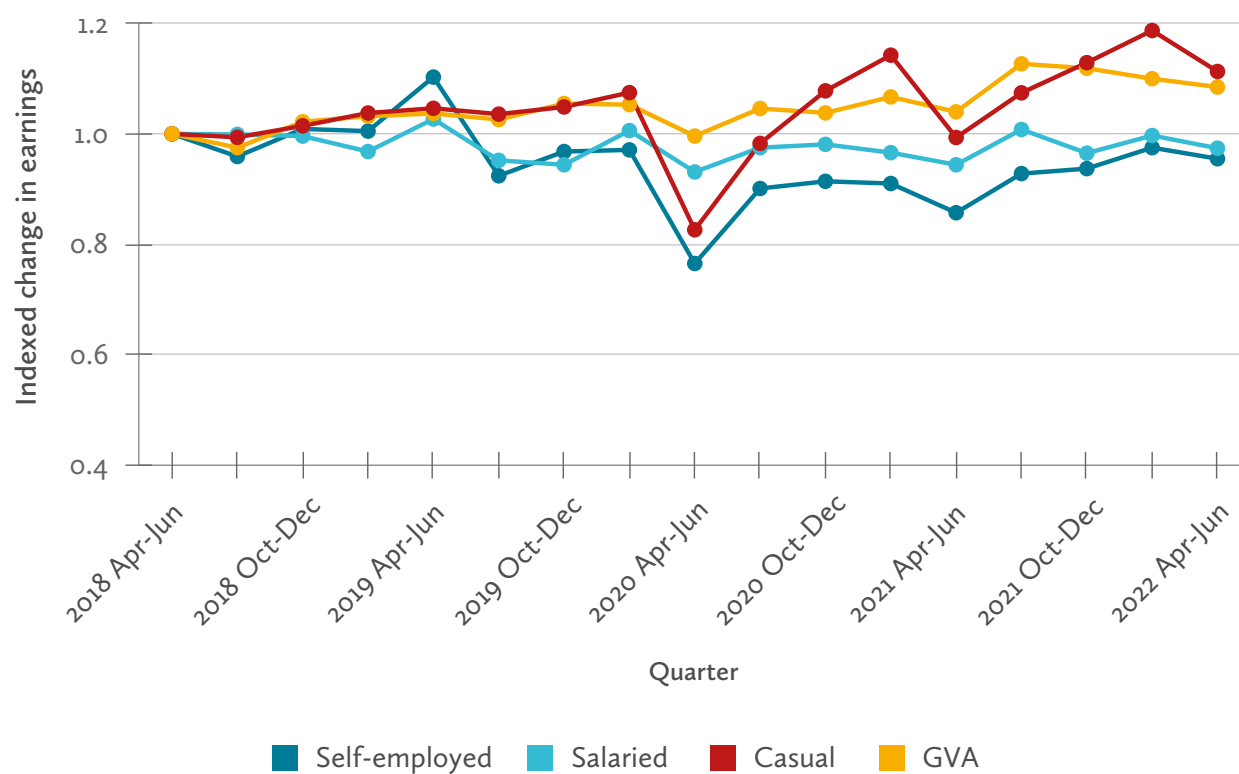
Sources and notes: PLFS various years. Employment is defined based on Current Weekly Status. Each bar indicates the cumulative percent point change as compared to the base quarter of April-June 2018.

Figure 2.7: Rapid growth of self-employment compared to wage work resulted in a change in structure of women's employment



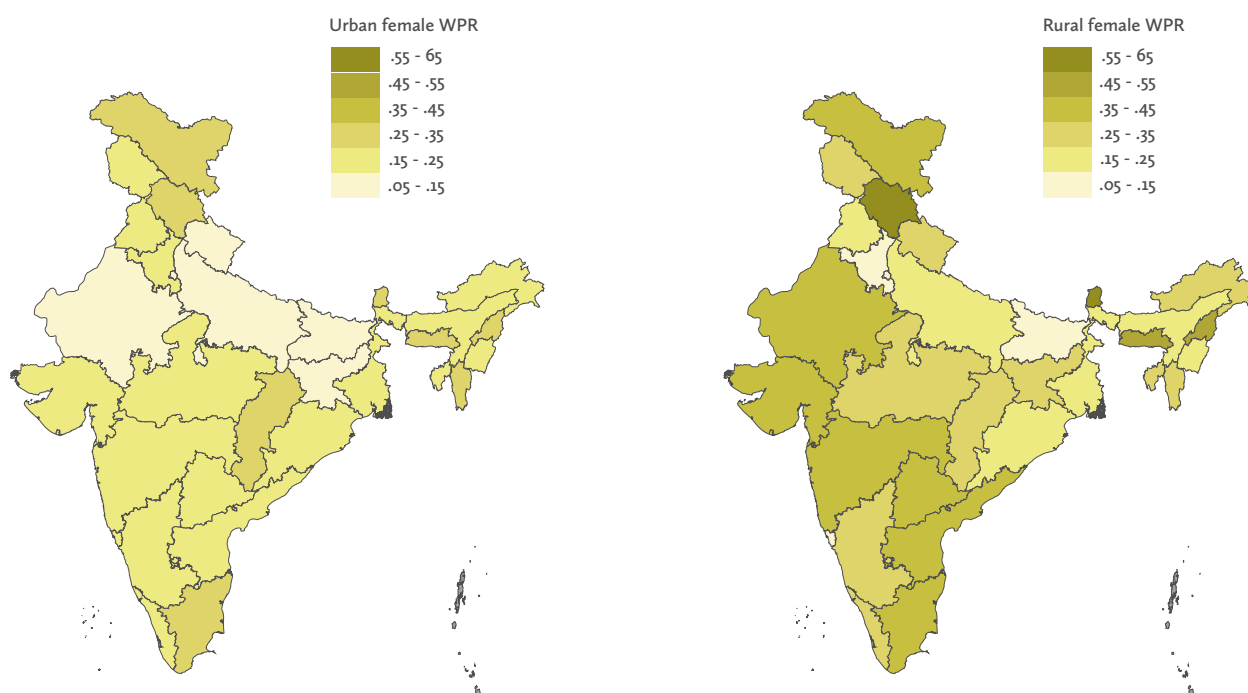
Sources and notes: PLFS various years. Employment is defined based on Current Weekly Status. Values are indexed to the base quarter of April-June 2018.

Figure 2.8: Earnings from self-employment have declined since 2019



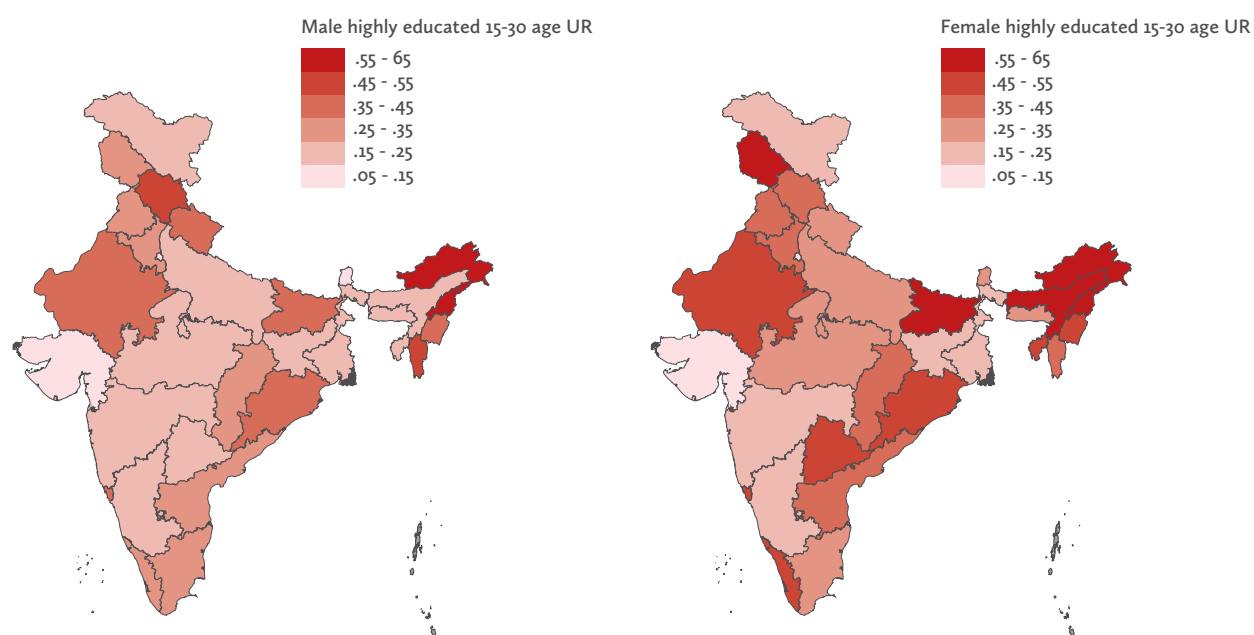
Sources and notes: PLFS various years. Employment is defined based on Current Weekly Status. Values are indexed to the base quarter of April-June 2018.

Figure 2.9: Female workforce participation rate in rural and urban areas across Indian states in 2021-22



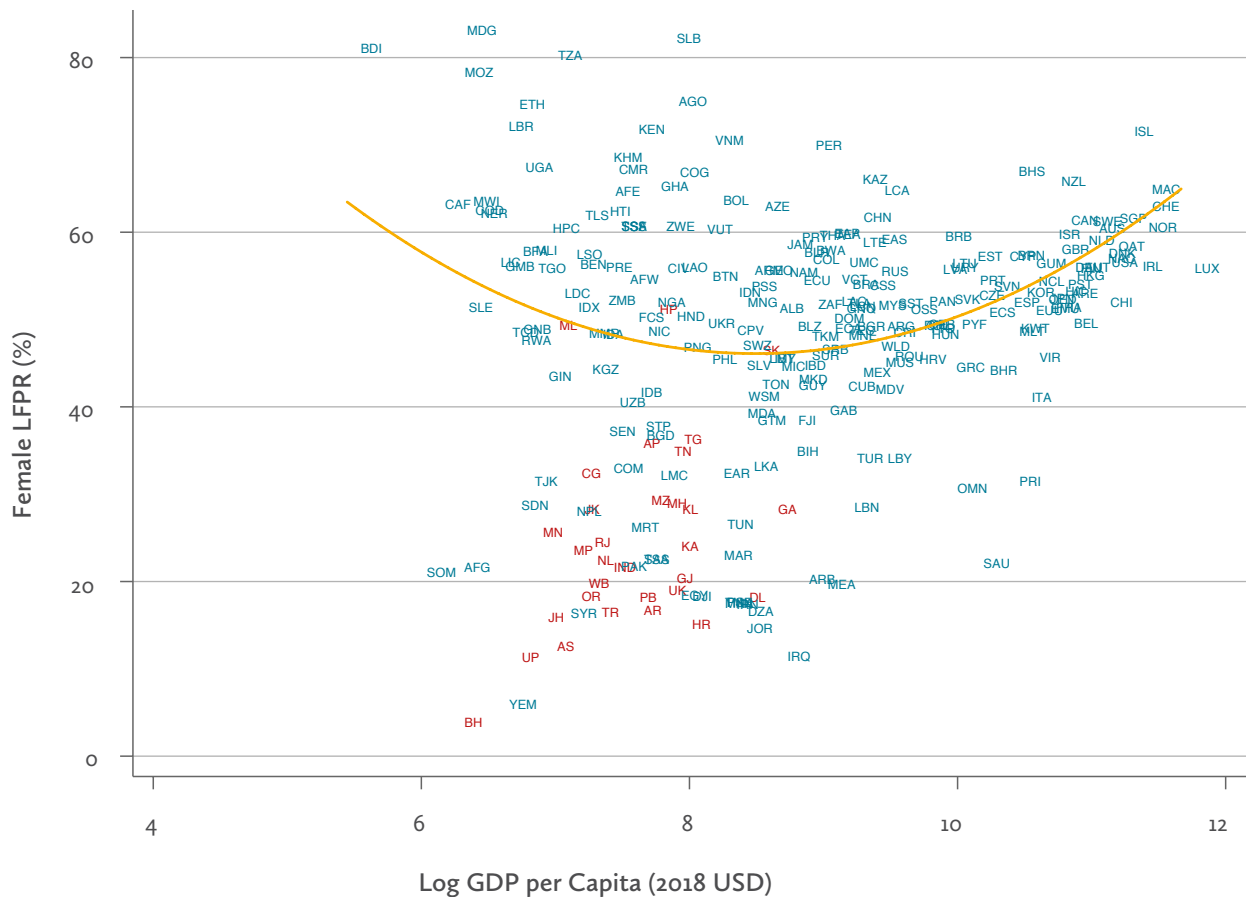
Sources and notes: PLFS 2021-22. Employment is defined based on Current Weekly Status. The scale is the same in both maps to illustrate the overall difference between rural and urban rates.

Figure 2.10: Unemployment rate among educated men and women across Indian states in 2021-22



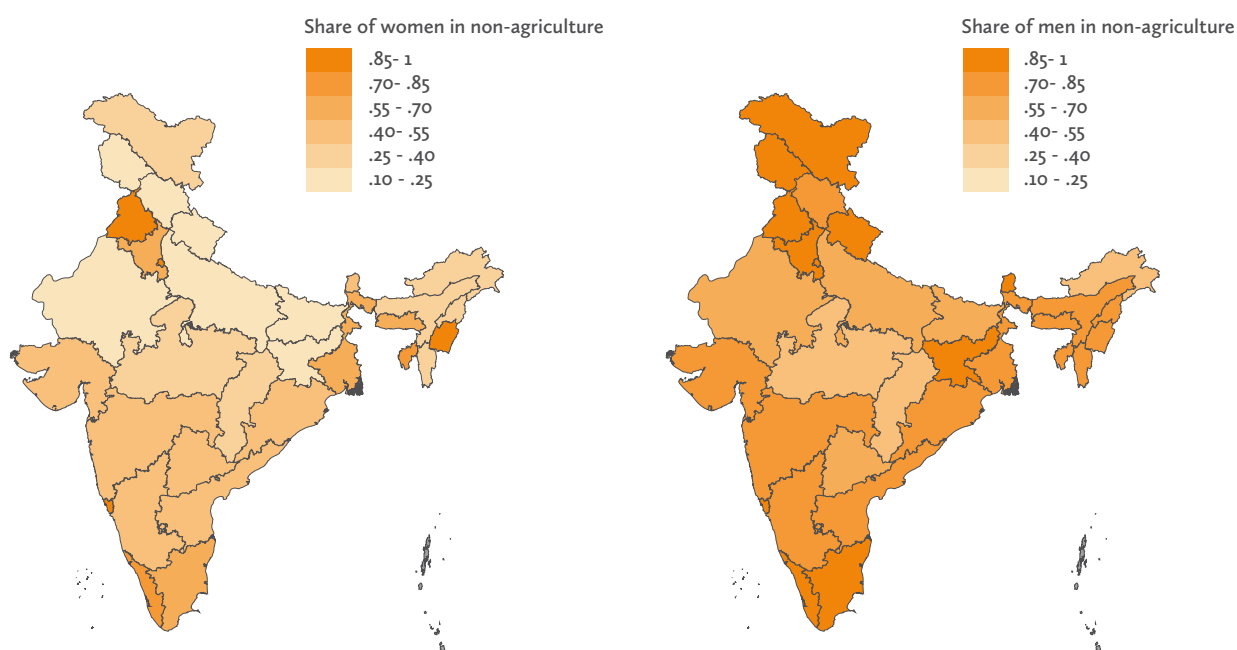
Sources and notes: PLFS 2021-22. UR-Unemployment is defined based on Current Weekly Status. The scale is the same in both maps to make for easier comparison across gender.

Figure 2.11: Indian states are consistently lower than comparable developing countries in terms of the female LFPR



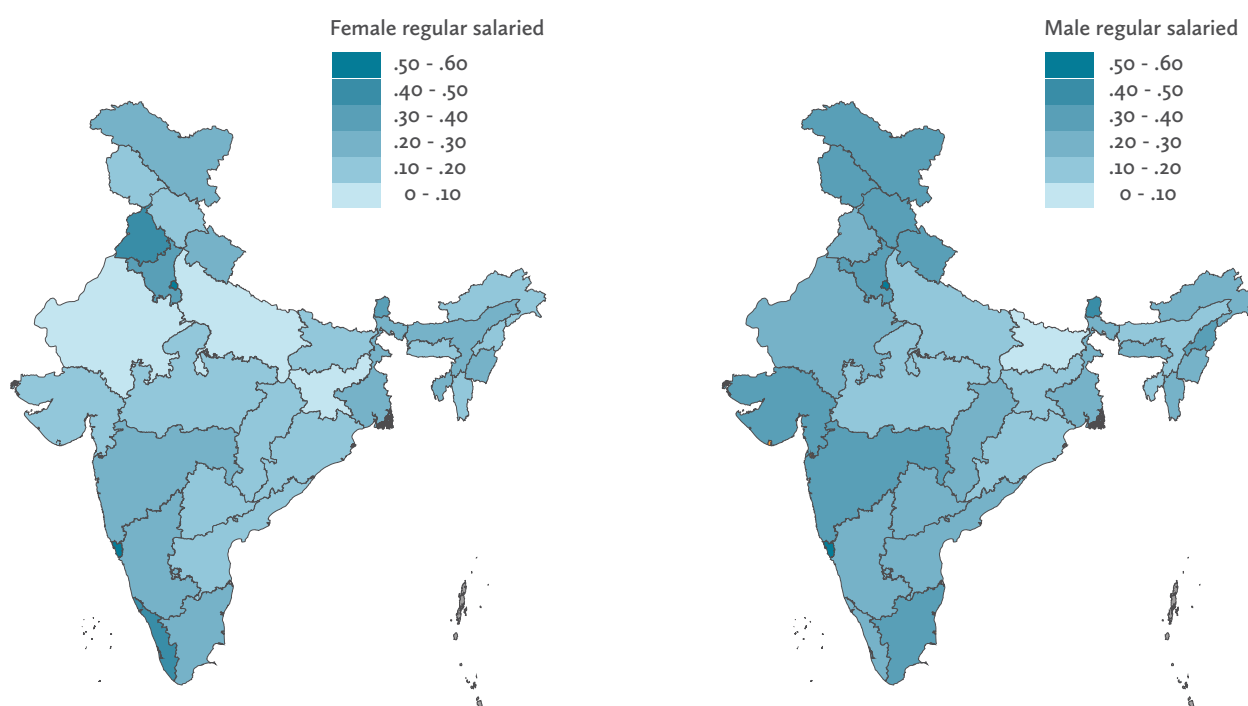
Sources and notes: PLFS 2018-19 and World Development Indicators. State Domestic Product data from the RBI is converted to USD using the prevailing exchange rate.

Figure 2.12: Share of women and men engaged in non-agricultural employment across Indian states in 2021-22



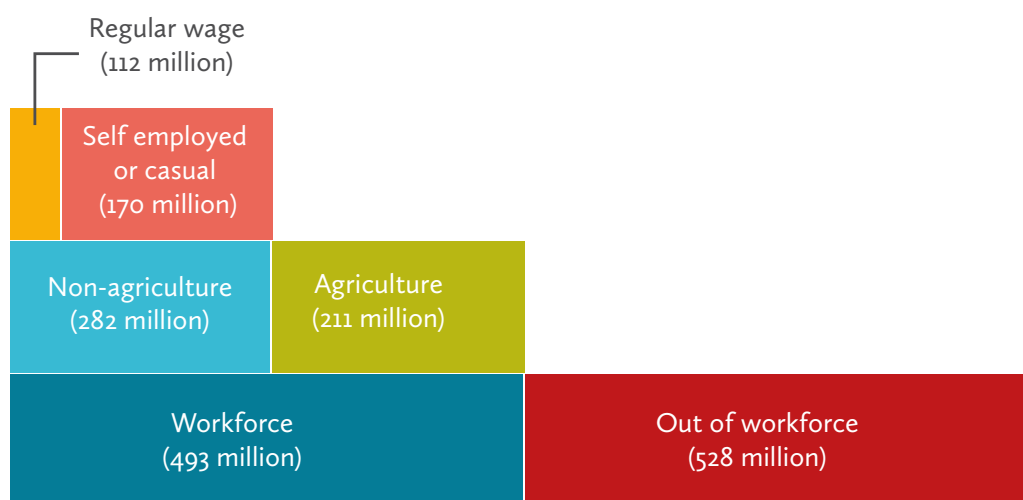
Sources and notes: PLFS 2021-22. Employment is defined based on Current Weekly Status. The scale is the same in both maps to make for easier comparison across gender.

Figure 2.13: Share of women and men engaged in salaried or regular wage work across Indian states in 2021-22



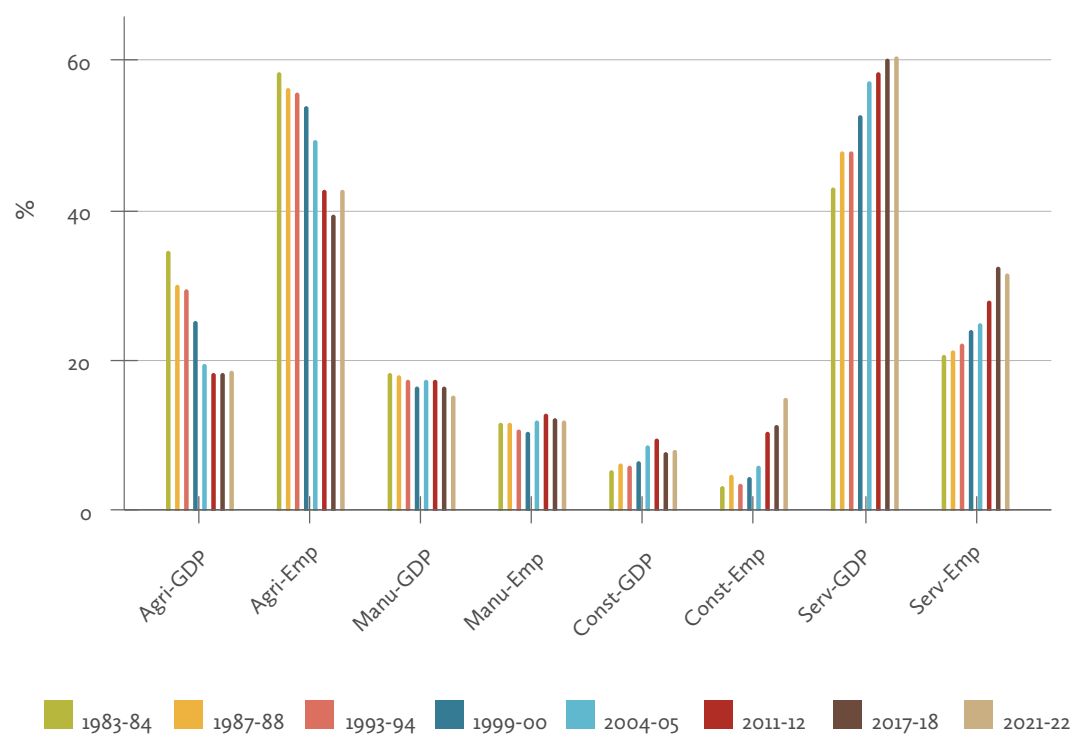
Sources and notes: PLFS 2021-22. Employment is defined based on Current Weekly Status. The scale is the same in both maps to make for easier comparison across gender.

Figure 3.1: Major components of the workforce with absolute numbers



Sources and notes: PLFS (2021-22) and Government of India (2019)

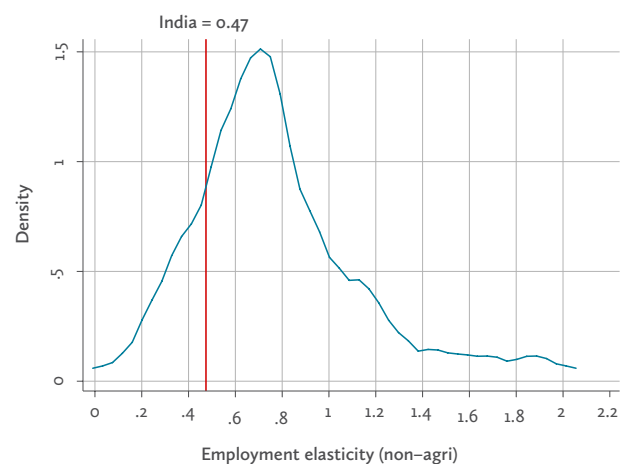
Figure 3.2: Sectoral shares in GDP and employment since the 1980s



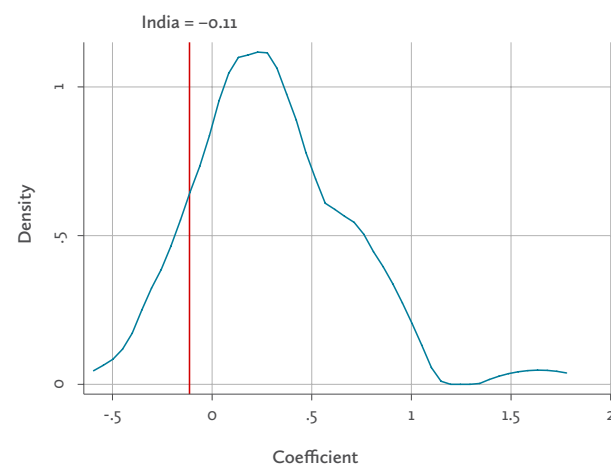
Sources and notes: NSSO EUS and PLFS various years and RBI-DBIE. Employment is defined based on Current Weekly Status.

Figure 3.3: India's jobless growth in cross-country perspective

a. Distribution of growth elasticities of non-agricultural employment

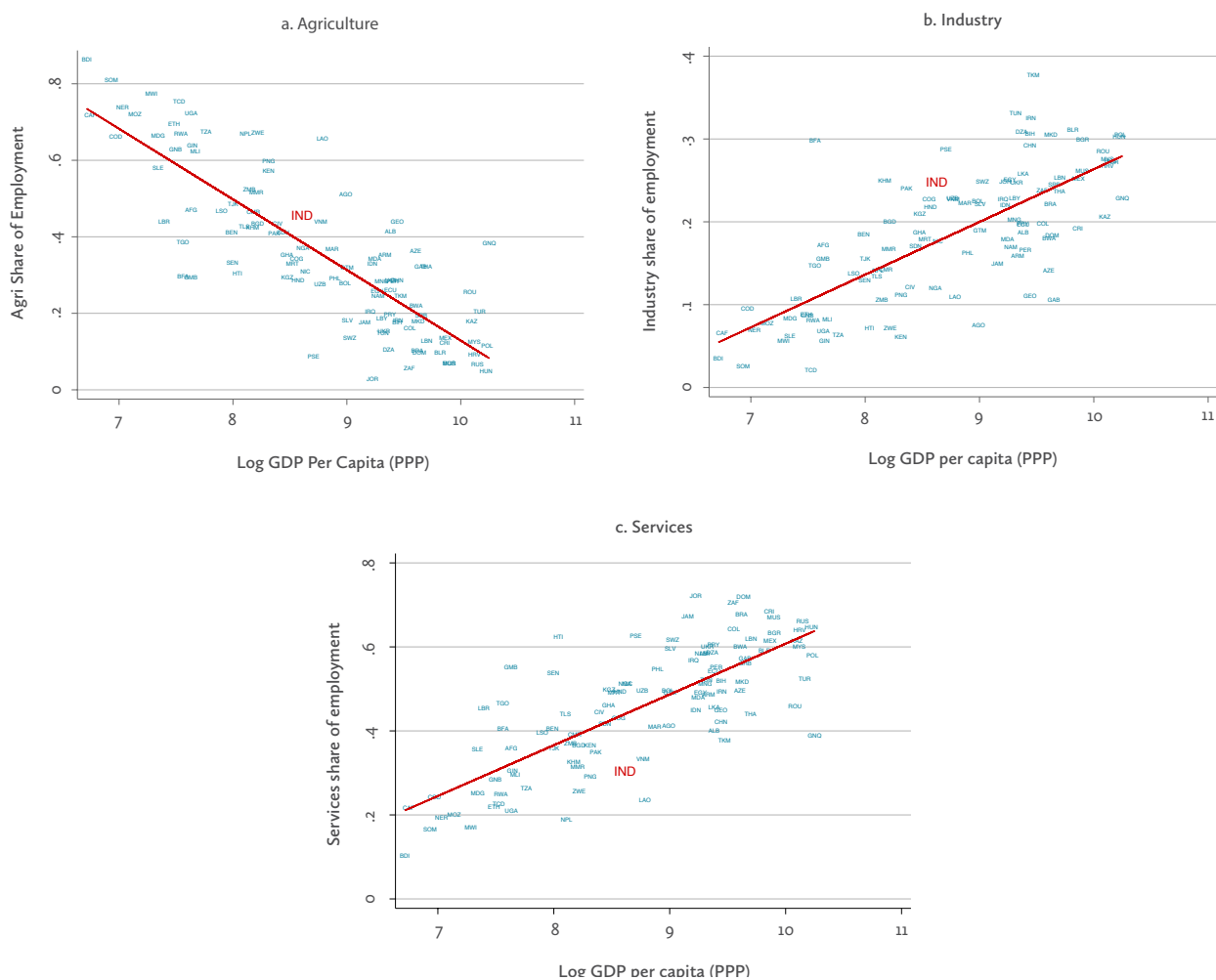


b. Distribution of coefficients - GDP growth versus employment growth



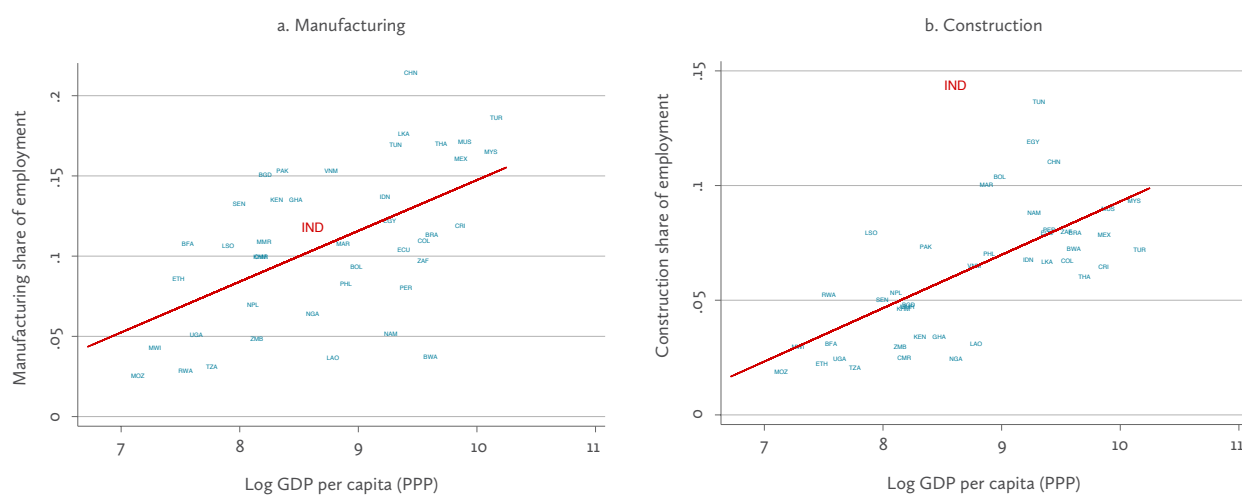
Sources and notes: Groningen ETD. See Methods Appendix for details on the regressions from which coefficients are obtained.

Figure 3.4: India's employment shares in cross-country perspective



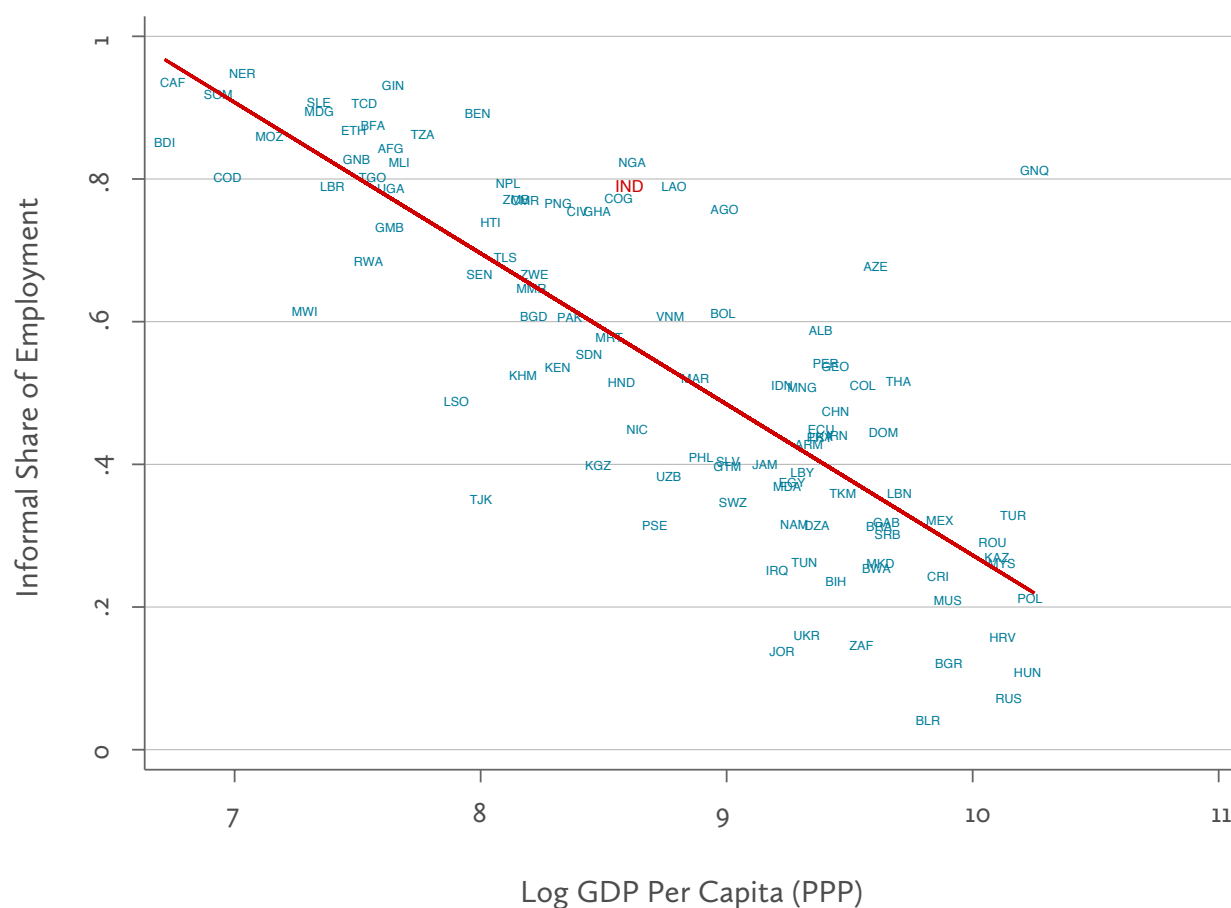
Sources and notes: World Development Indicators (WDI). The Y axis shows proportions (out of 1) and not percentages.

Figure 3.5: Industrial employment shares in cross-country perspective



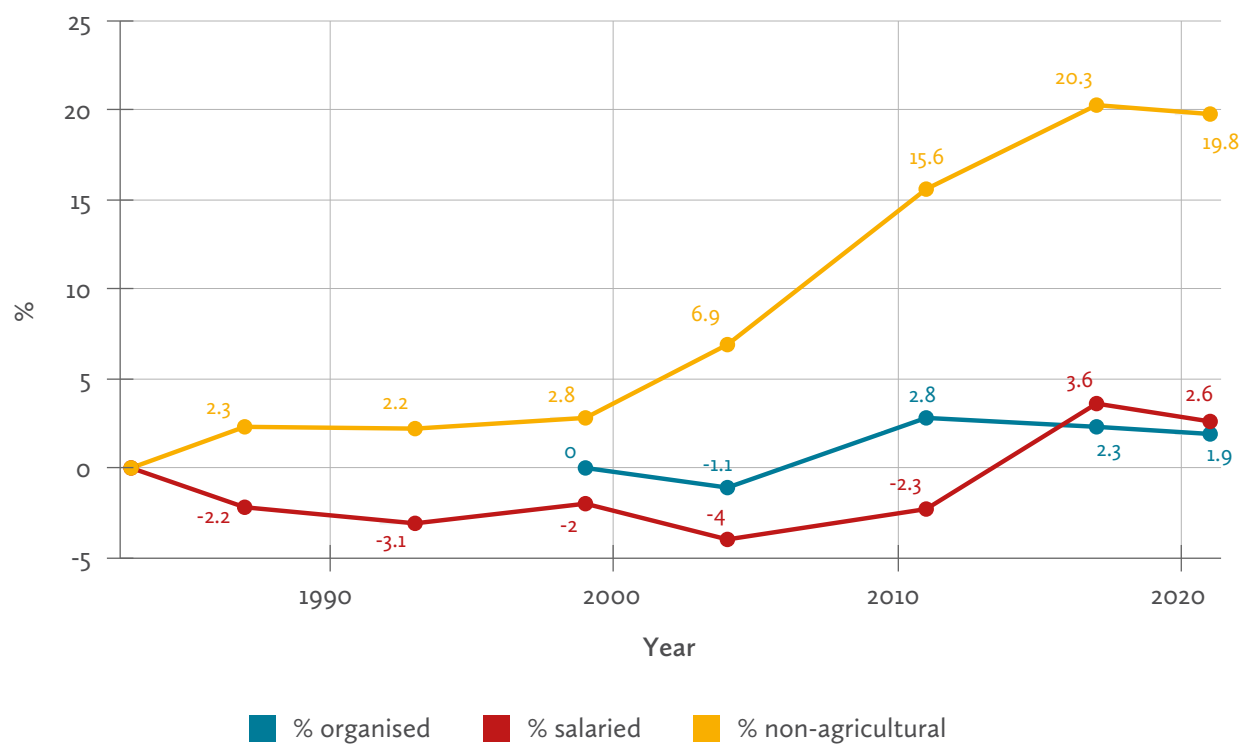
Sources and notes: World Development Indicators (WDI). The Y axis shows proportions (out of 1) and not percentages.

Figure 3.6: India's informal employment share in cross-country perspective

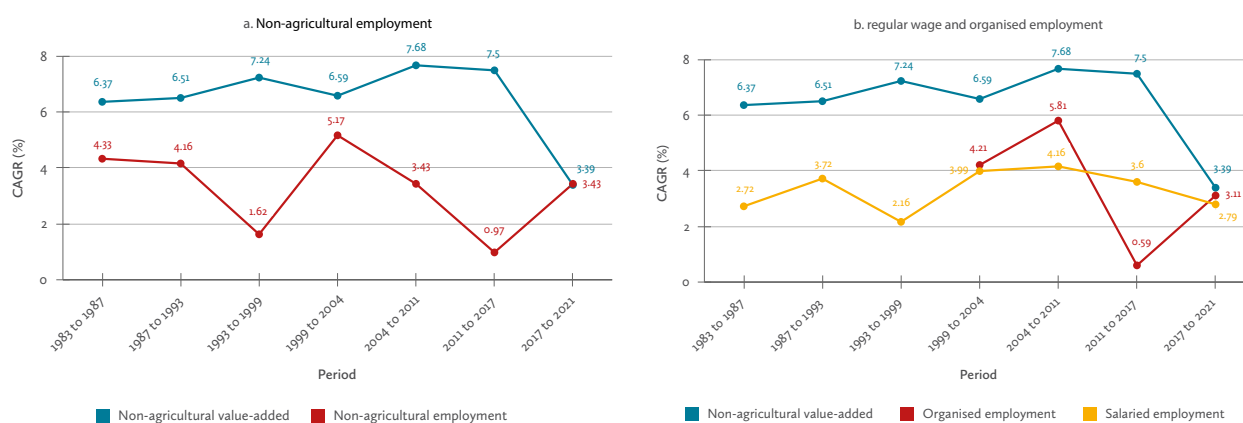


Sources and notes: World Development Indicators (WDI). The Y axis shows proportions (out of 1) and not percentages.

Figure 3.7: Share of workers in non-agricultural employment rose much faster than the share in regular wage employment or organised sector

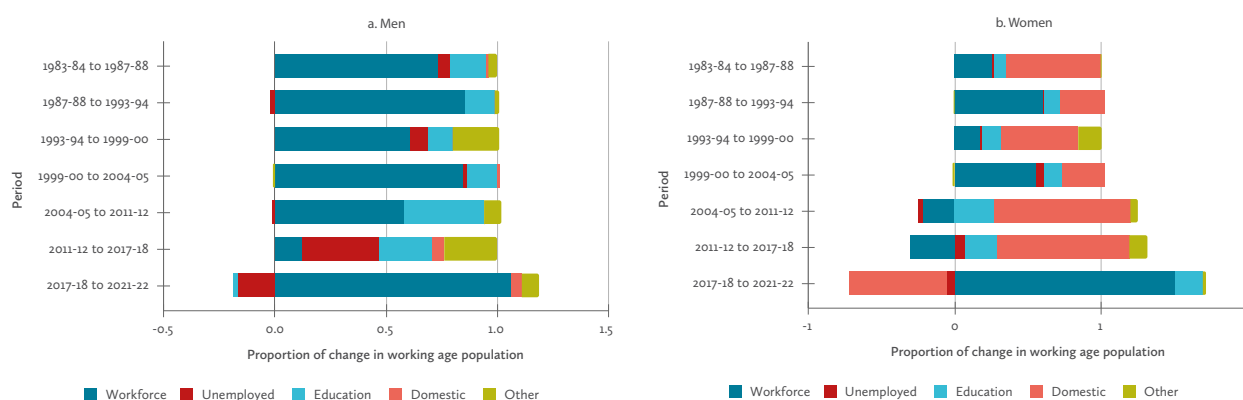


Sources and notes: NSSO EUS-PLFS various years. The numbers are indexed to their 1983 values.

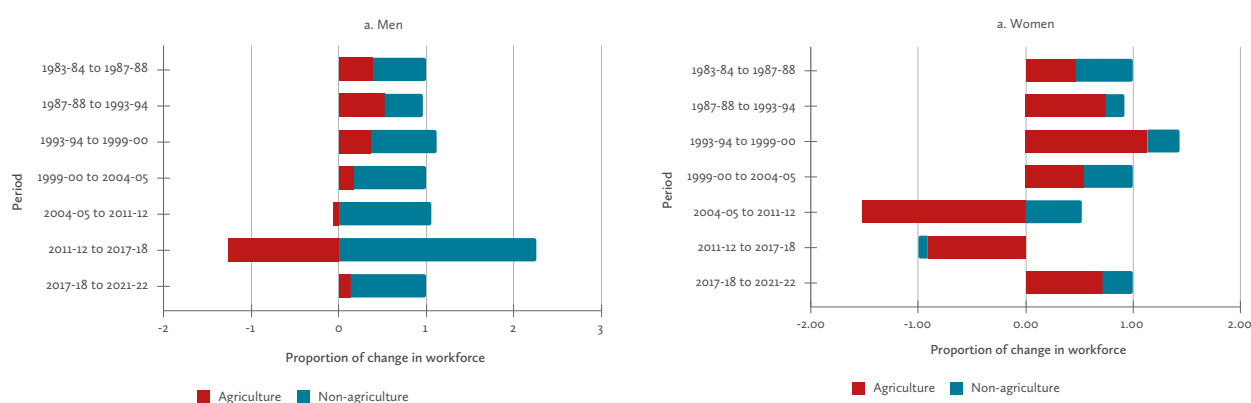
Figure 3.8: Non-agricultural output growth versus employment growth

Sources and notes: RBI KLEMS and NSSO EUS-PLFS various years. Compounded Annual Growth Rates between survey years..

Figure 3.9: Composition of the change in working age population

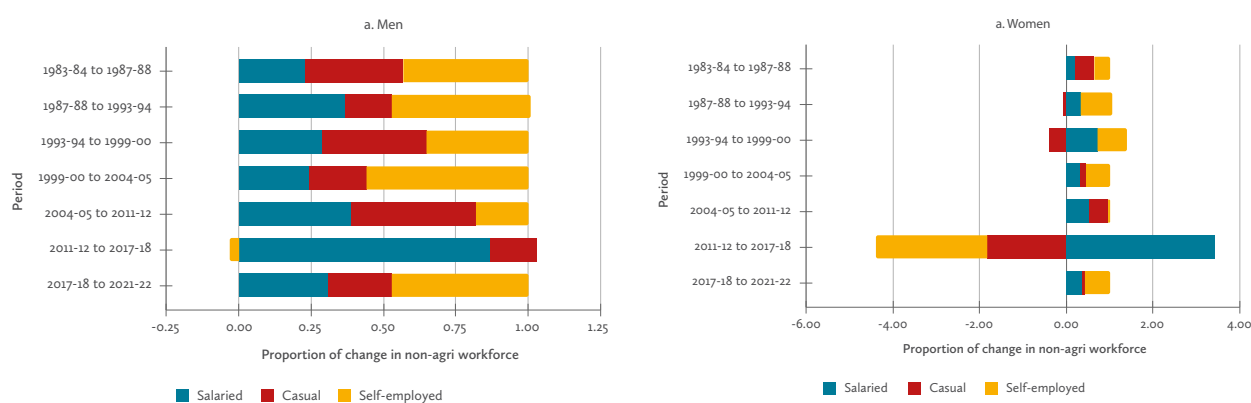


Sources and notes: NSSO EUS-PLFS various years. X-axis shows the share of each category in the total increase in working age population in each period.

Figure 3.10: Composition of change in workforce

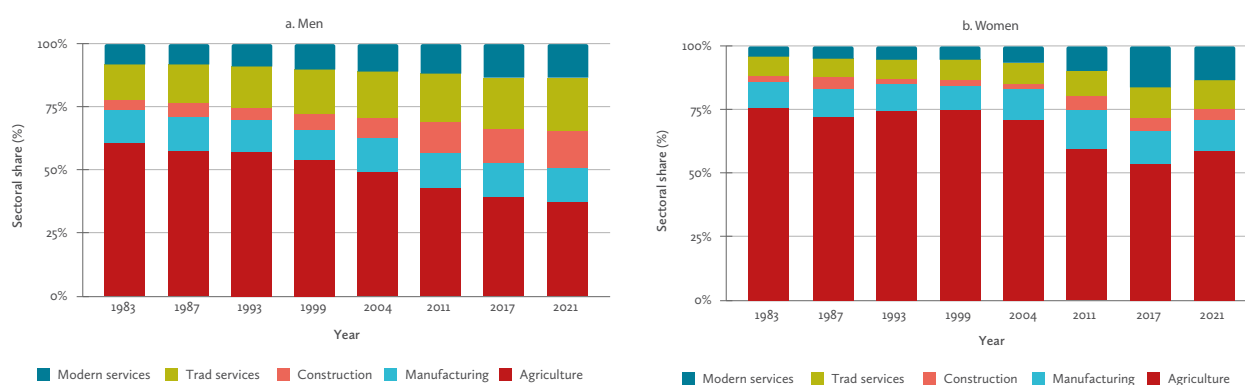
Sources and notes: NSSO EUS-PLFS various years. X-axis shows the share of each category in the total increase in workforce in each period.

Figure 3.11: Composition of change in the non-agricultural workforce



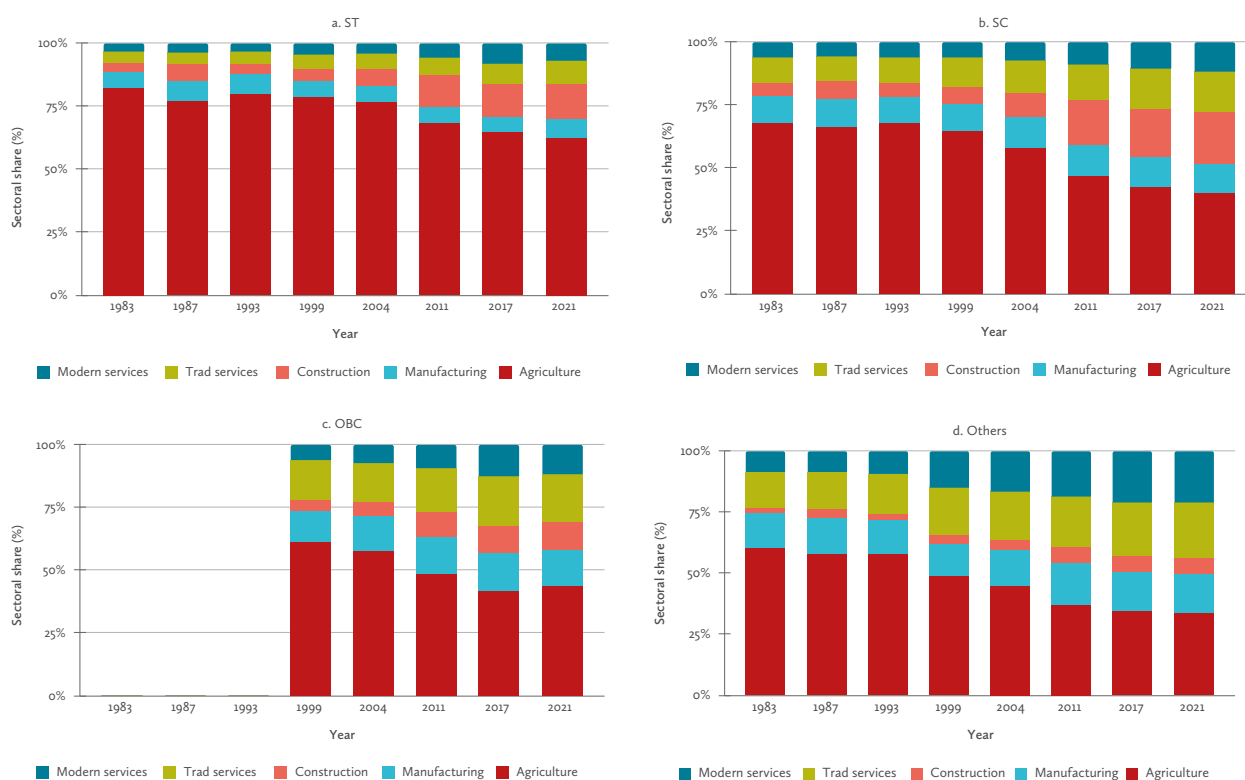
Sources and notes: NSSO EUS-PLFS various years. X-axis shows the share of each category in the total increase in non-agricultural workforce in each period.

Figure 3.12: Changing sectoral structure of employment - gender

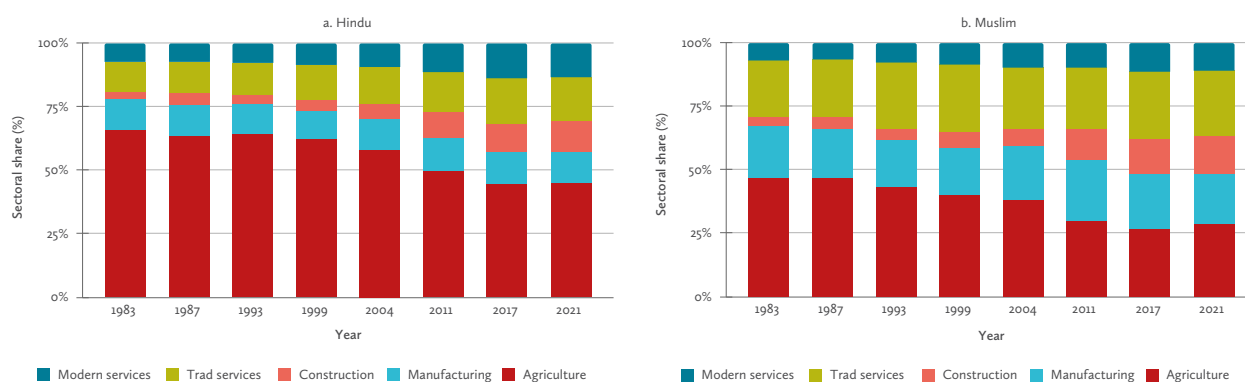


Sources and notes: NSSO EUS-PLFS various years.

Figure 3.13: Changing sectoral structure of employment - caste

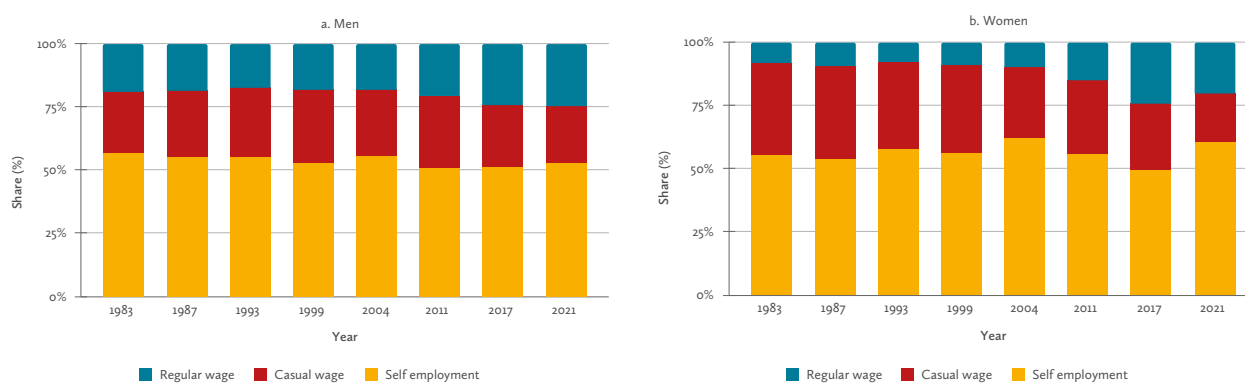


Sources and notes: NSSO EUS-PLFS various years.

Figure 3.14: Changing sectoral structure of employment - religion

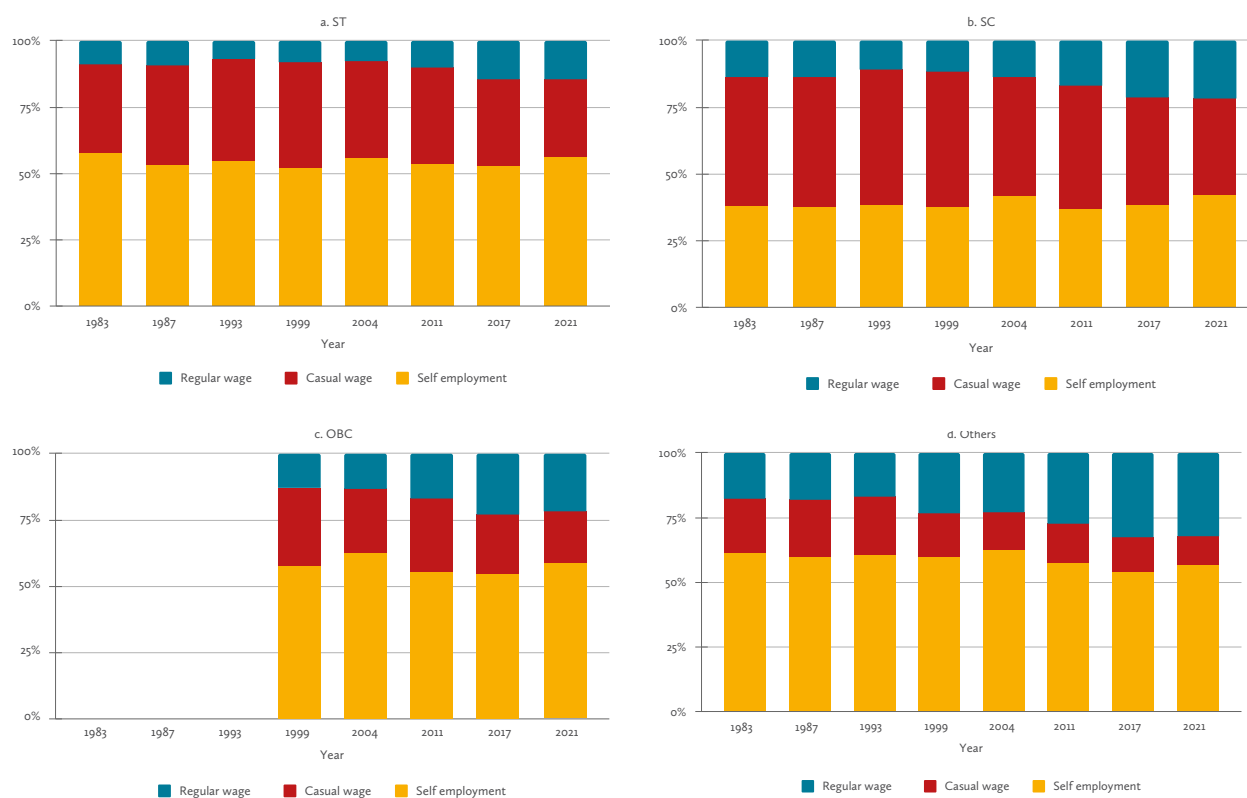
Sources and notes: NSSO EUS-PLFS various years.

Figure 3.15: Changing composition of employment type - gender



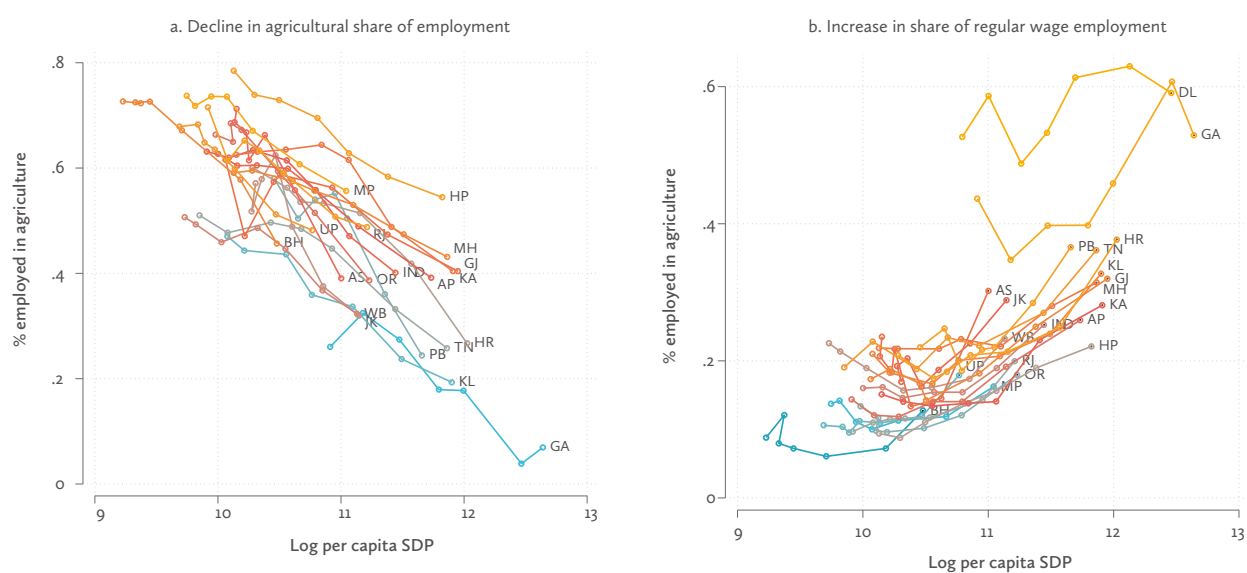
Sources and notes: NSSO EUS-PLFS various years.

Figure 3.16: Changing composition of employment type - caste



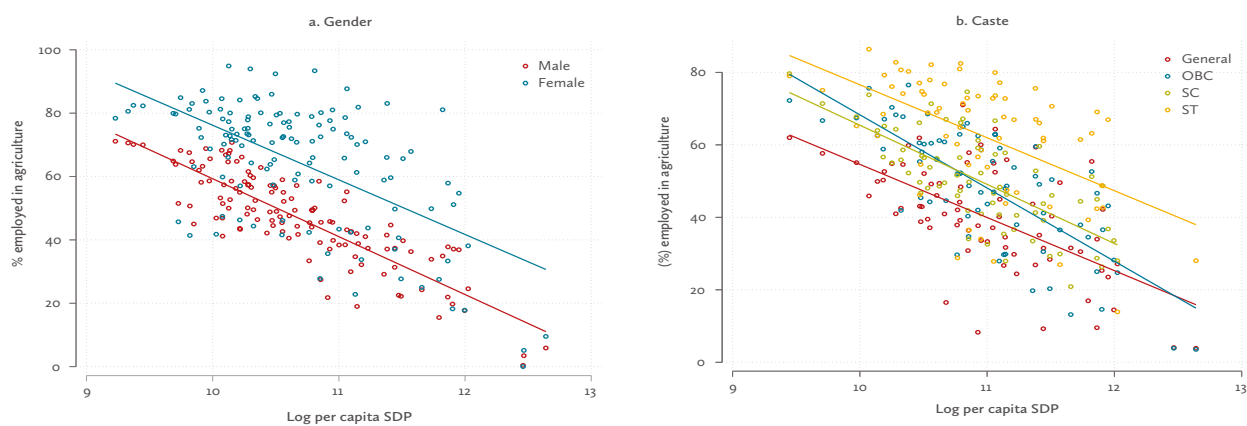
Sources and notes: NSSO EUS-PLFS various years.

Figure 3.17: Relationship between per capita output and structural change across Indian states



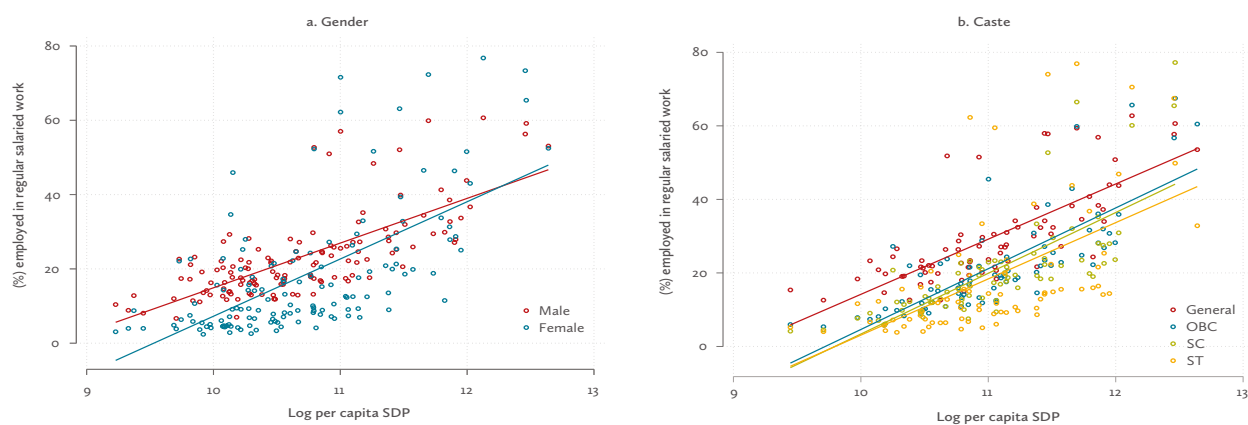
Sources and notes: NSSO EUS-PLFS various years and RBI DBIE

Figure 3.18: Decline in agricultural share of employment with economic growth across Indian states



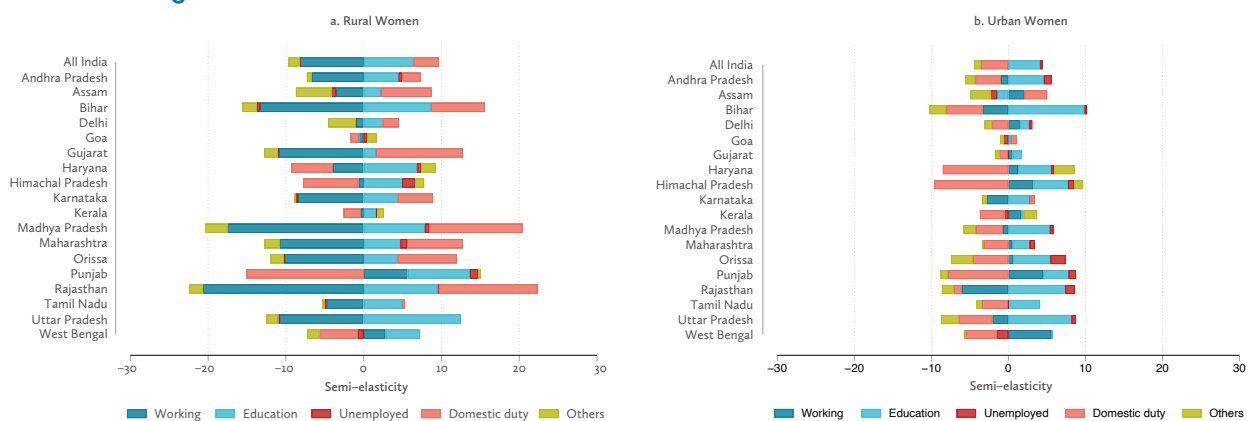
Sources and notes: NSSO EUS-PLFS various years and RBI DBIE

Figure 3.19: Increase in share of regular wage employment with economic growth across Indian states



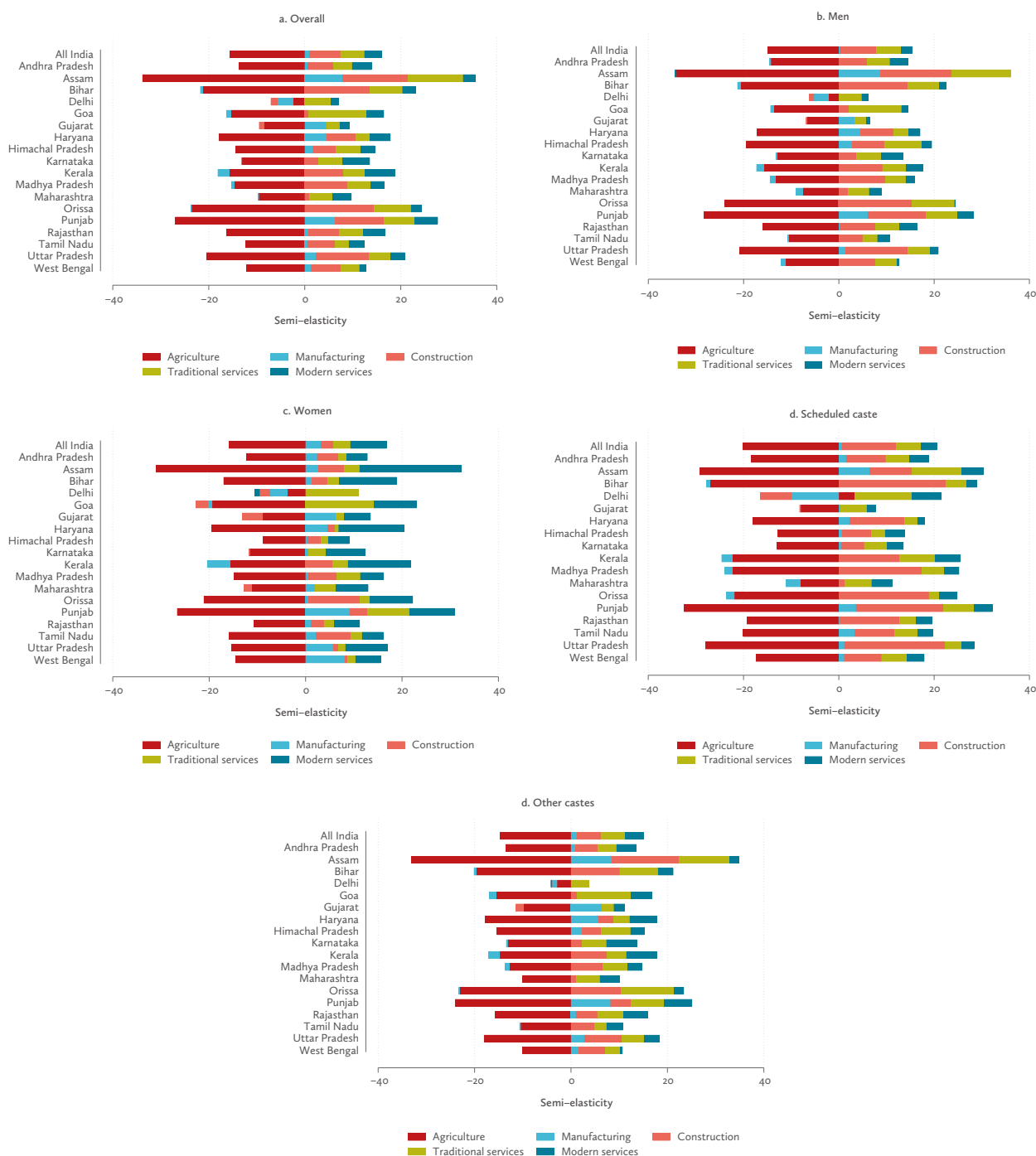
Sources and notes: NSSO EUS-PLFS various years and RBI DBIE

Figure 3.20: State-level differences in entry into and exit from the workforce with economic growth



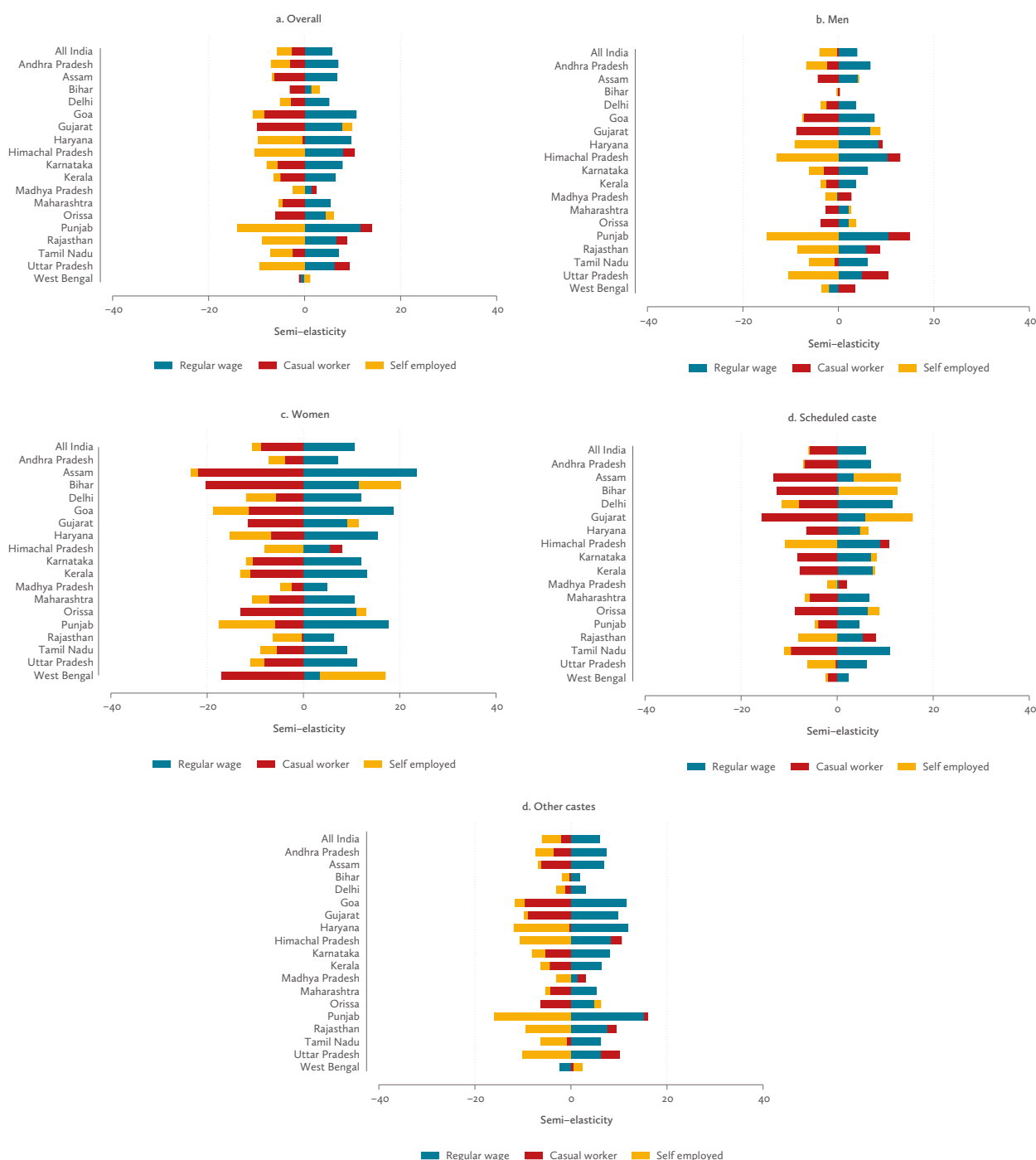
Sources and notes: NSSO EUS-PLFS various years and RBI DBIE The figure shows coefficients from a state panel regression. See text and Methods Appendix for details.

Figure 3.21: How much did a doubling of GDP per capita change sectoral structure of the workforce between 1983-84 and 2018-19?



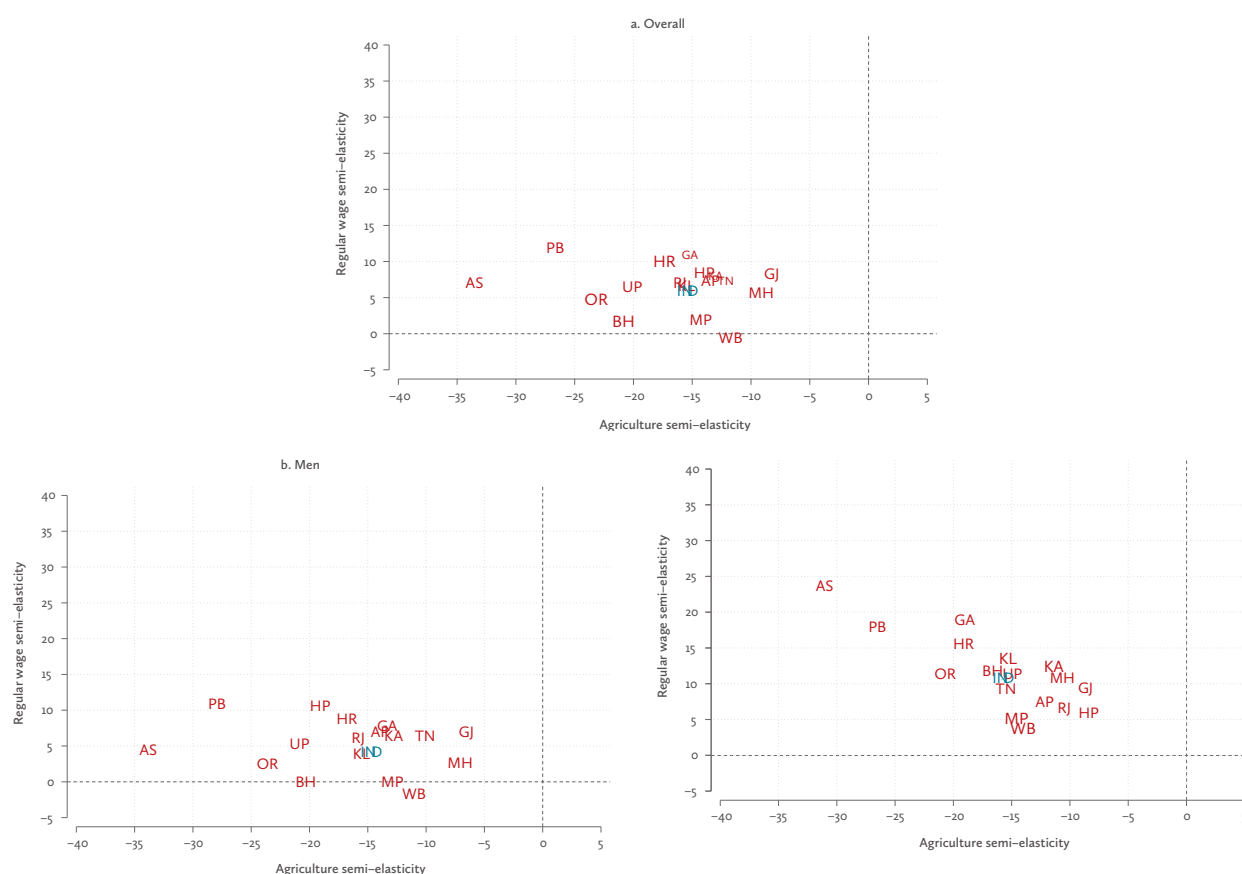
Sources and notes: NSSO EUS-PLFS various years and RBI DBIE The figure shows coefficients from a state panel regression. See text and Methods Appendix for details.

Figure 3.22: How much did a doubling of GDP per capita change the employment structure of the workforce between 1983–84 and 2018–19?



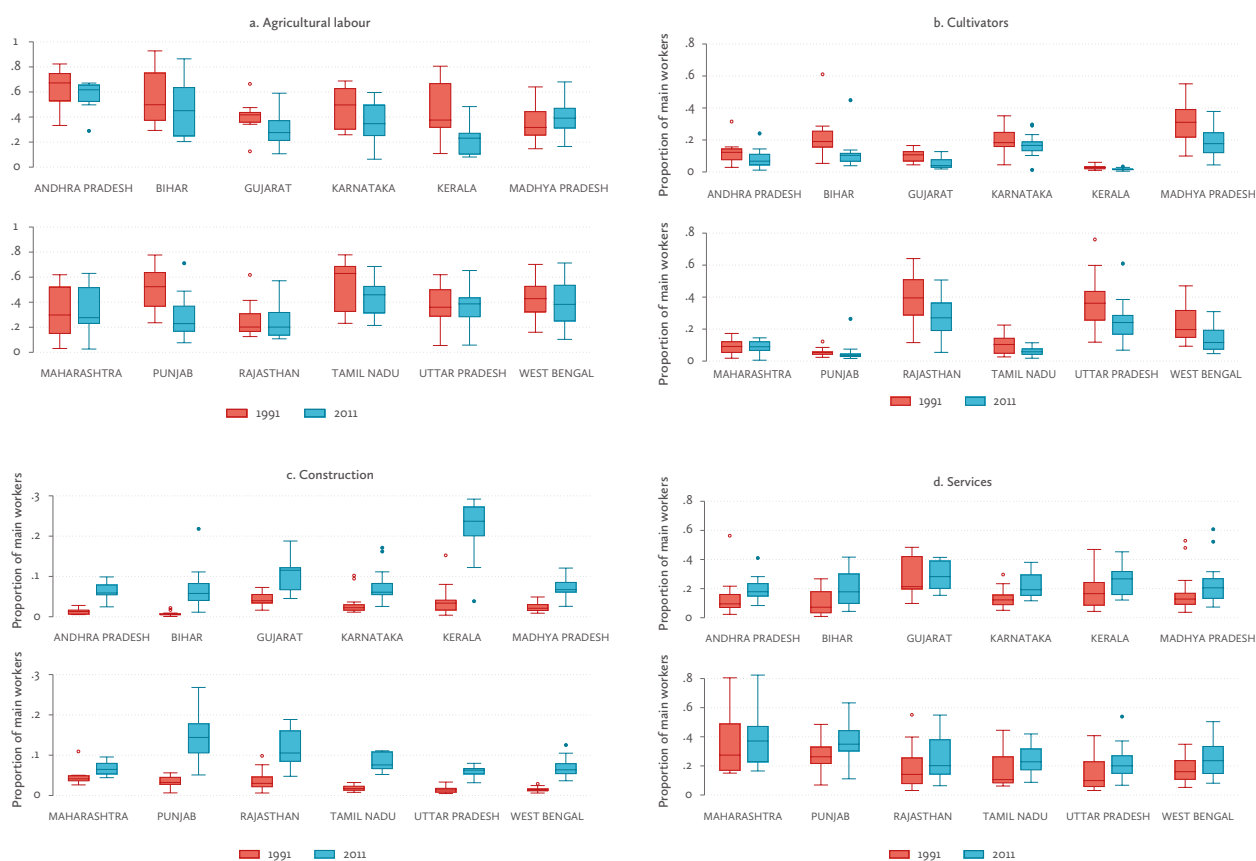
Sources and notes: NSSO EUS-PLFS various years and RBI DBIE The figure shows coefficients from a state panel regression. See text and Methods Appendix for details.

Figure 3.23: Bringing together the Lewis and Kuznets processes: extent of decline in agricultural share and increase in regular wage share with a doubling of GDP per capita across states.

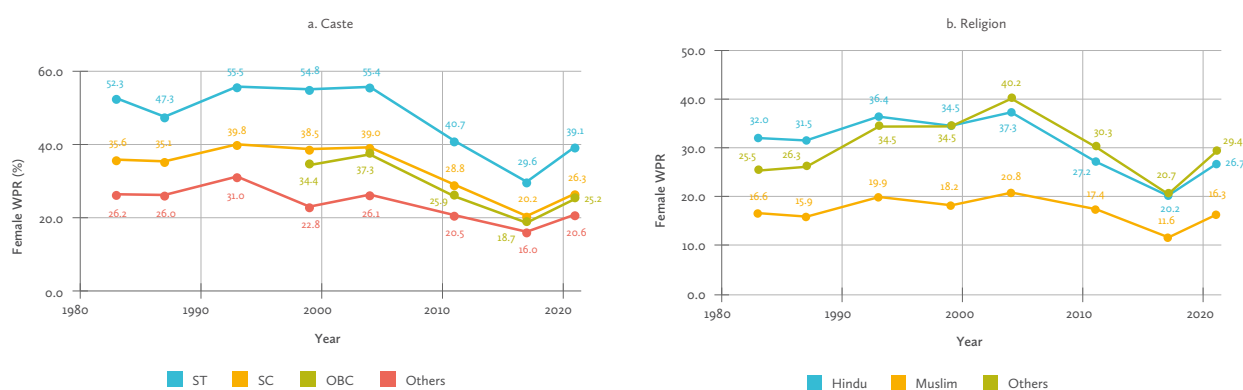


Sources and notes: NSSO EUS-PLFS various years and RBI DBIE The figure shows coefficients from a state panel regression. See text and Methods Appendix for details.

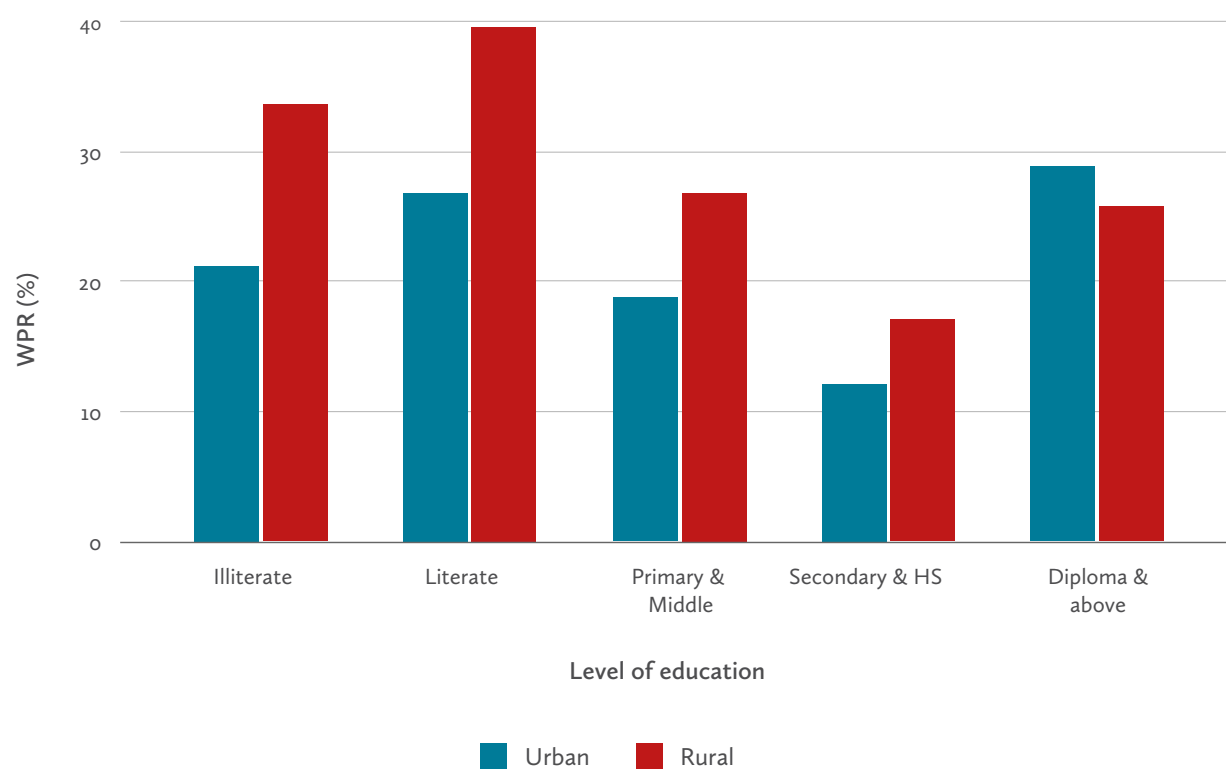
Figure 3.24: Jati-level changes in the sectoral structure of employment between 1991 and 2011 for 12 Indian states



Sources and notes: Population Census of India 1991 and 2001. See text and Methods Appendix for details.

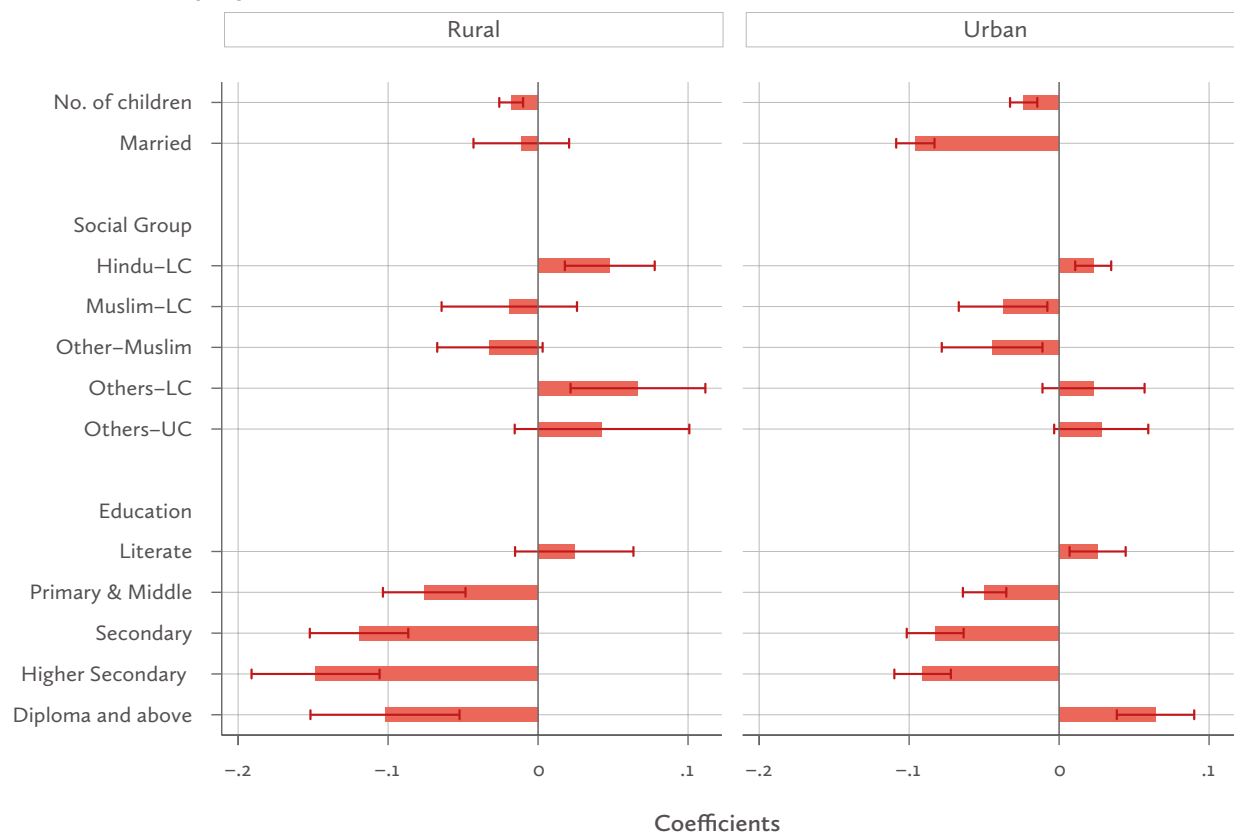
Figure 4.1: Long-run female workforce participation rates by caste and religion

Sources and notes: NSSO EUS and PLFS various years. Employment is defined as per Current Weekly Status.

Figure 4.2: Female workforce participation rates by education for 2021-22

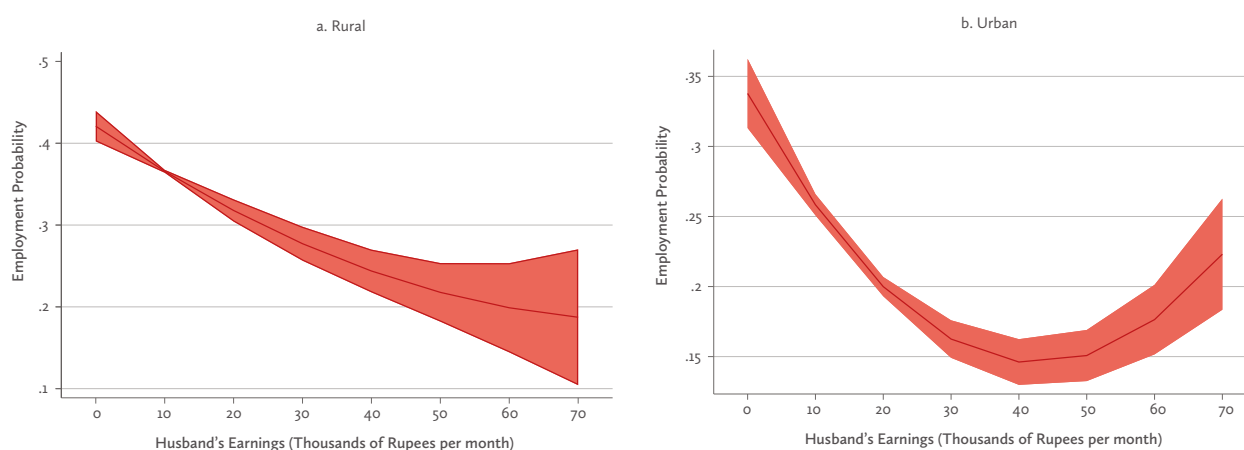
Sources and notes: PLFS 2021-22. Employment is defined as per Current Weekly Status.

Figure 4.3: Impact of marital status, caste, religion and education on probability of being employed for women



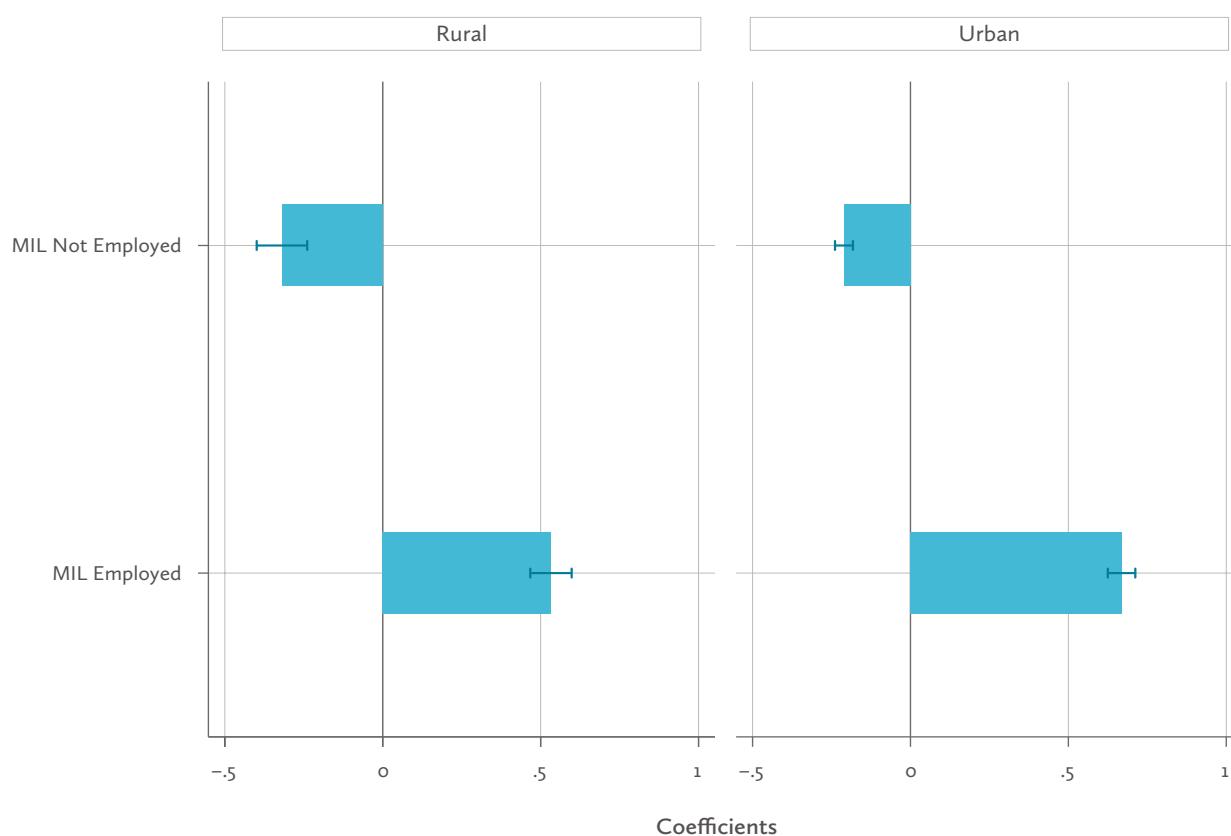
Sources and notes: PLFS 2021-22. Each bar gives the magnitude of the marginal effect of a variable on the probability of being employed. Values where the confidence interval bars the horizontal zero line are statistically significant.

Figure 4.4: Relationship between husband's earnings and probability of women's employment



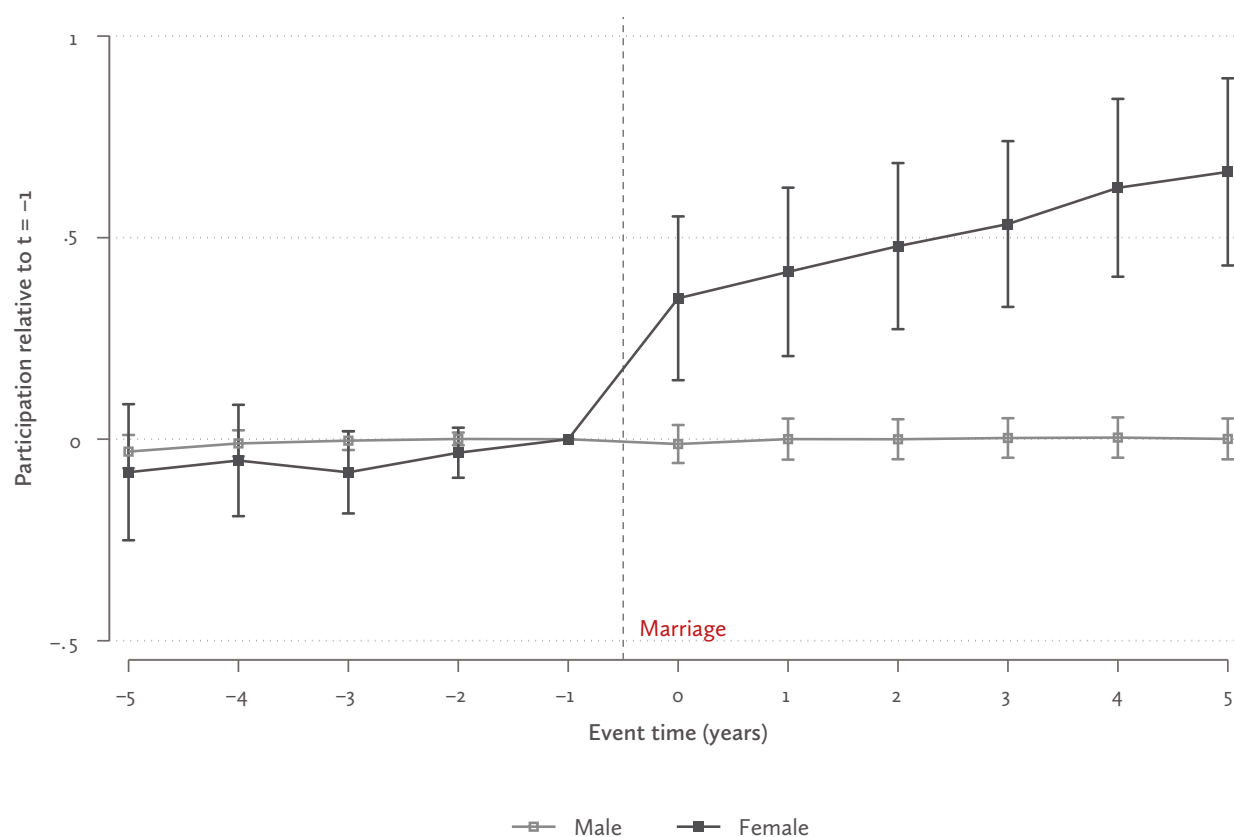
Sources and notes: PLFS 2021-22. Shown here are predicted values of the employment probability for each level of monthly income along with the confidence interval band.

Figure 4.5: Impact of mother-in-law status on probability of being employed for women



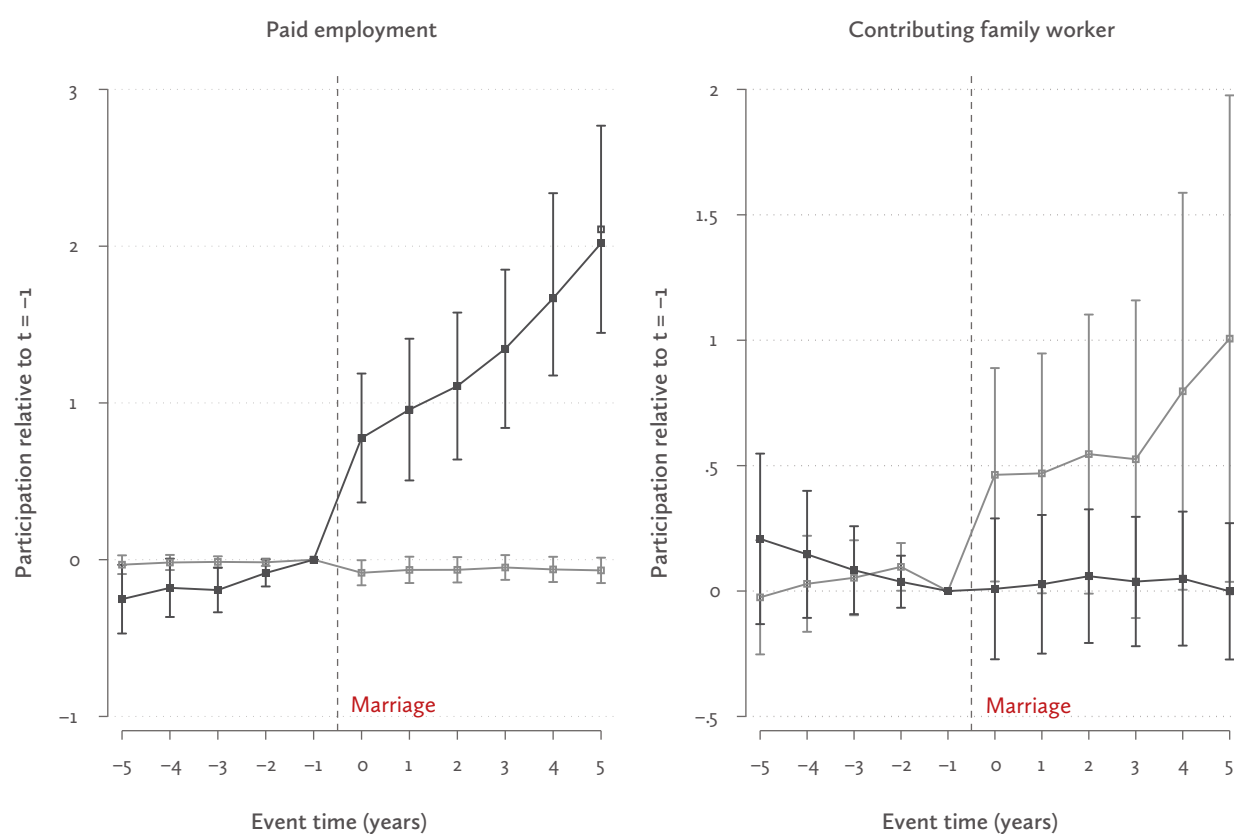
Sources and notes: PLFS 2021-22. Each bar gives the magnitude of the marginal effect of a variable on the probability of being employed. Values where the confidence interval bars do not intersect with the horizontal zero line are statistically significant.

Figure 4.6: Marriage increases the likelihood of being employed for women in rural Karnataka and Rajasthan



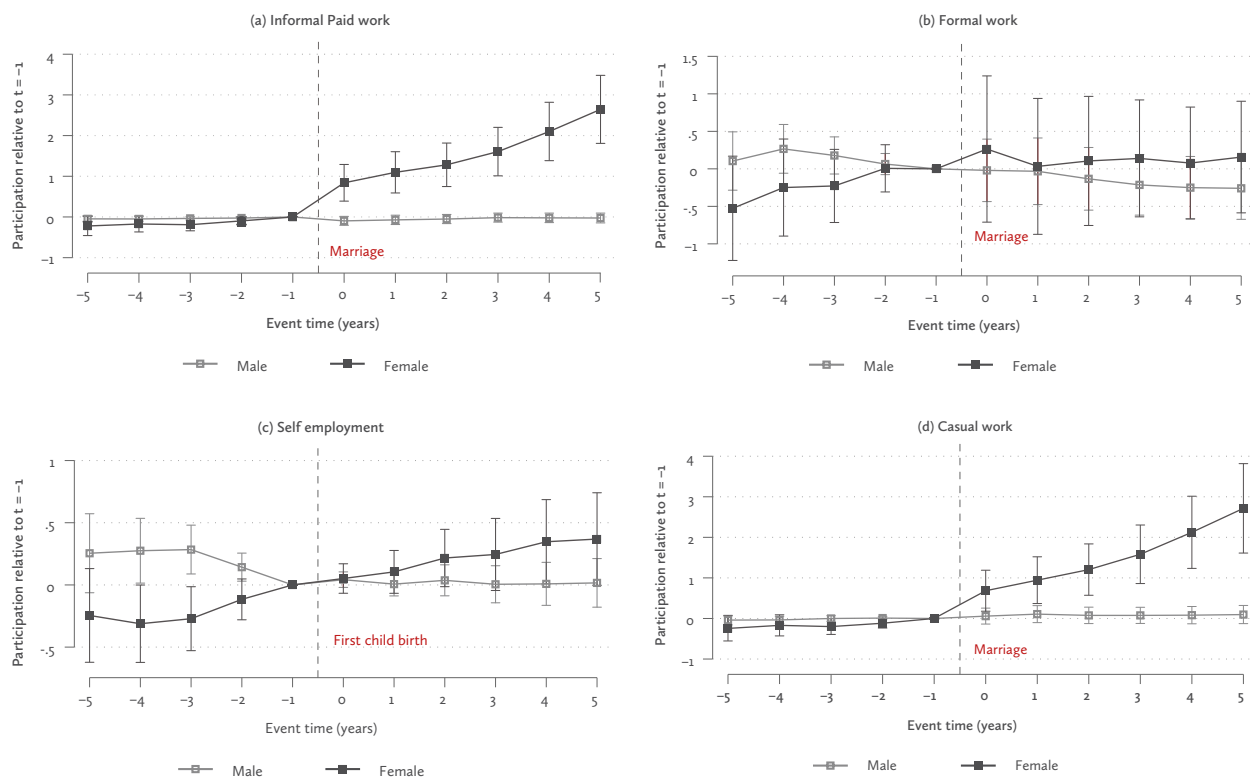
Sources and notes: India Working Survey 2020. These are results from a Life History Calendar exercise. Dashed line indicates time of marriage. Zero indicates the first year of marriage. See text and Methods Appendix for details.

Figure 4.7: Increase in employment after marriage among rural women is largely in paid work



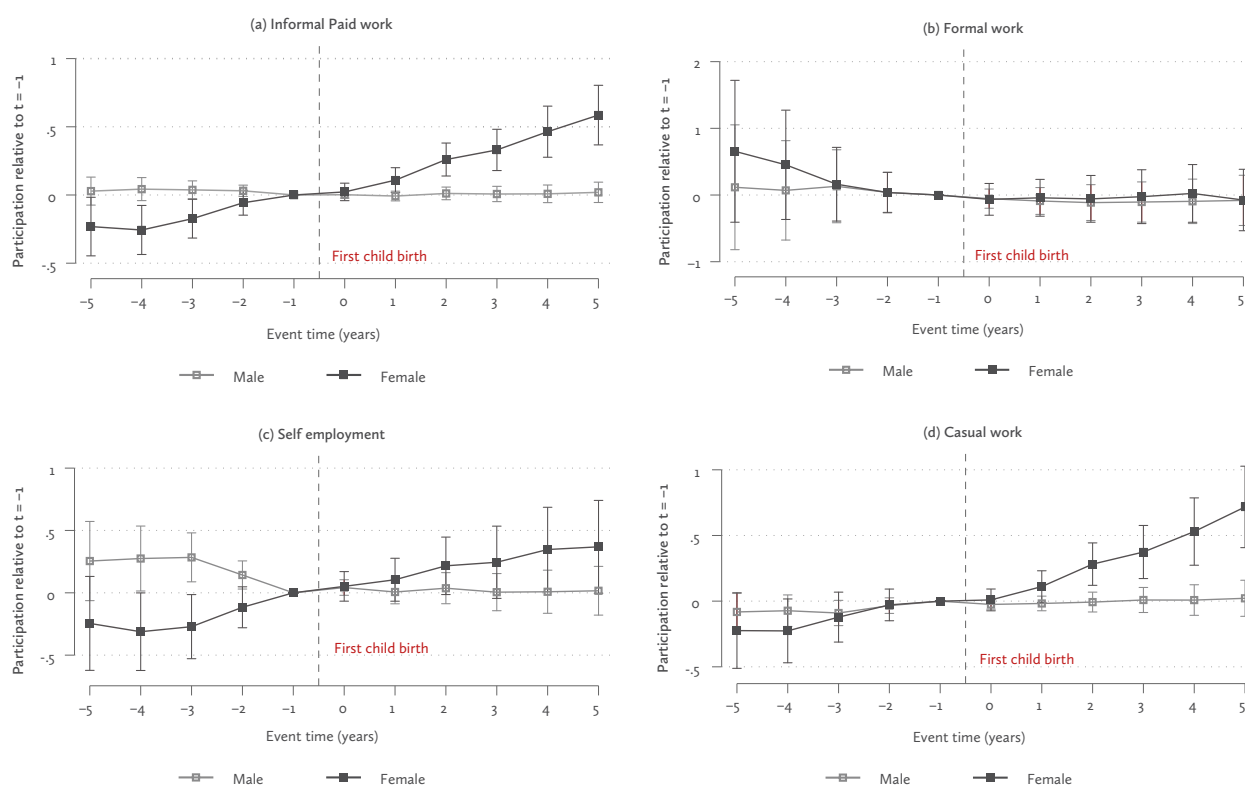
Sources and notes: India Working Survey 2020. These are results from a Life History Calendar exercise. Dashed line indicates time of marriage. Zero indicates the first year of marriage. See text and Methods Appendix for details.

Figure 4.8: Increase in likelihood of doing paid work post-marriage is limited mostly to informal work



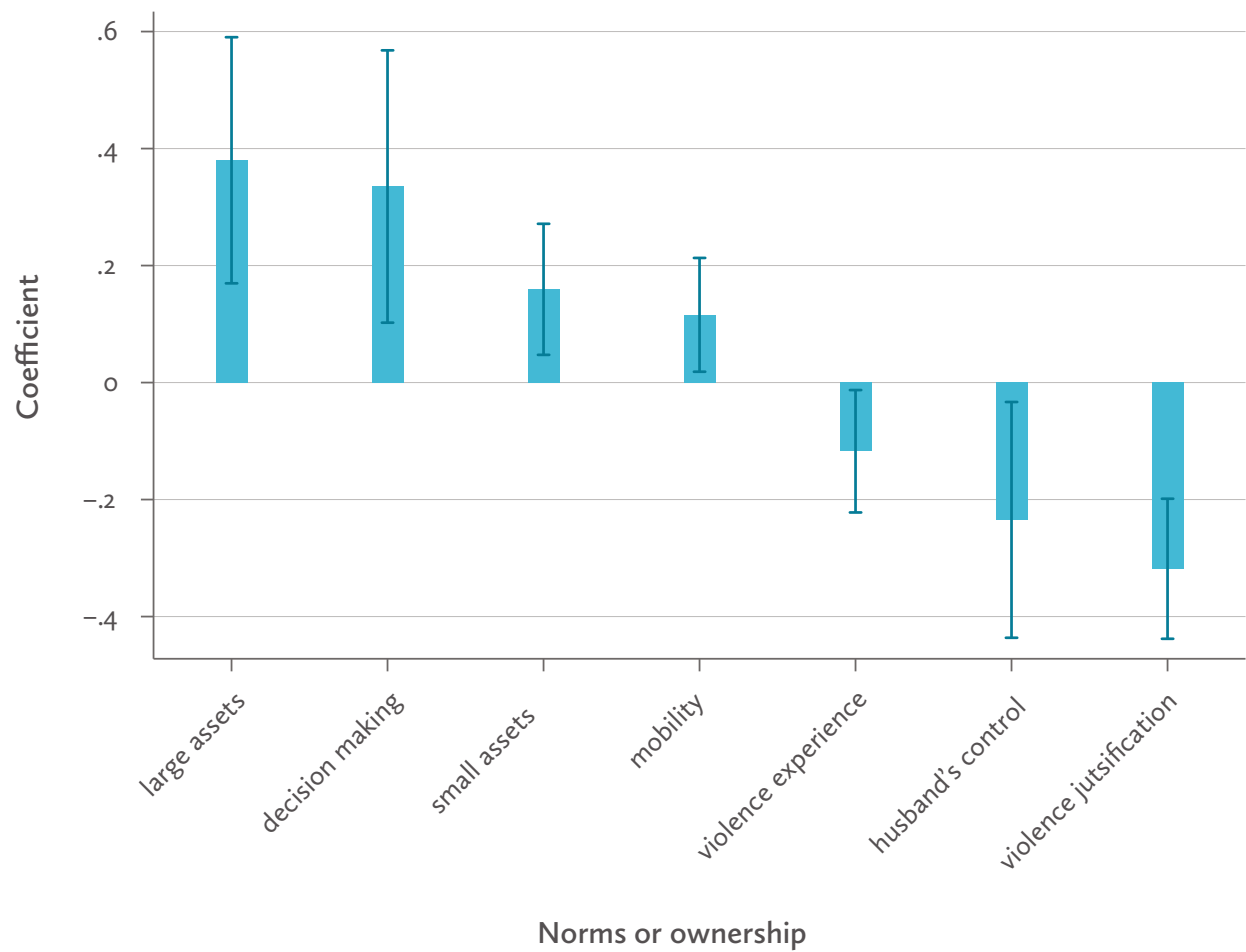
Sources and notes: India Working Survey 2020. These are results from a Life History Calendar exercise. Dashed line indicates time of marriage. 0 indicates the first year of marriage. See text and Methods Appendix for details.

Figure 4.9: Increase in likelihood of employment post-childbirth in rural Karnataka and Rajasthan



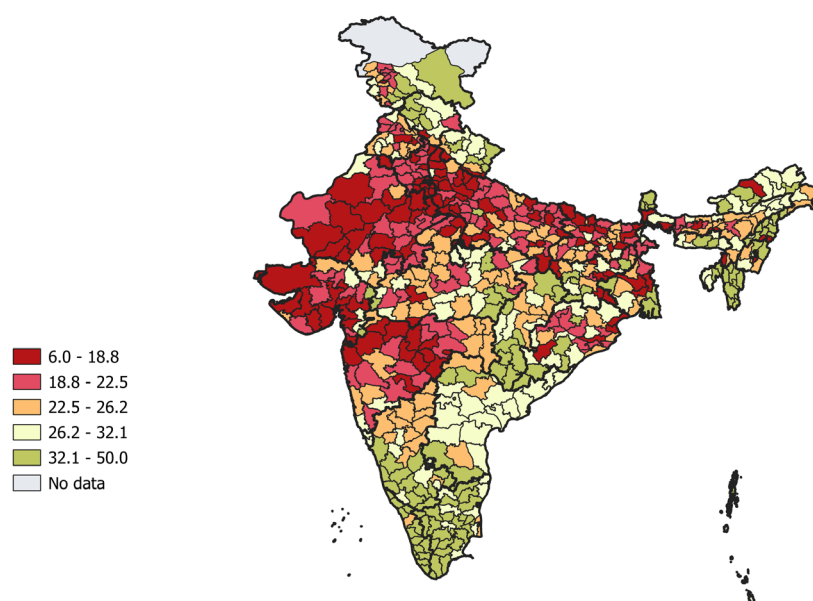
Sources and notes: India Working Survey 2020. These are results from a Life History Calendar exercise. Dashed line indicates time of childbirth 0 indicates the year of childbirth.

Figure 4.10: Progressive norms on women's autonomy correlate with higher likelihood of employment, but there is evidence for male backlash also



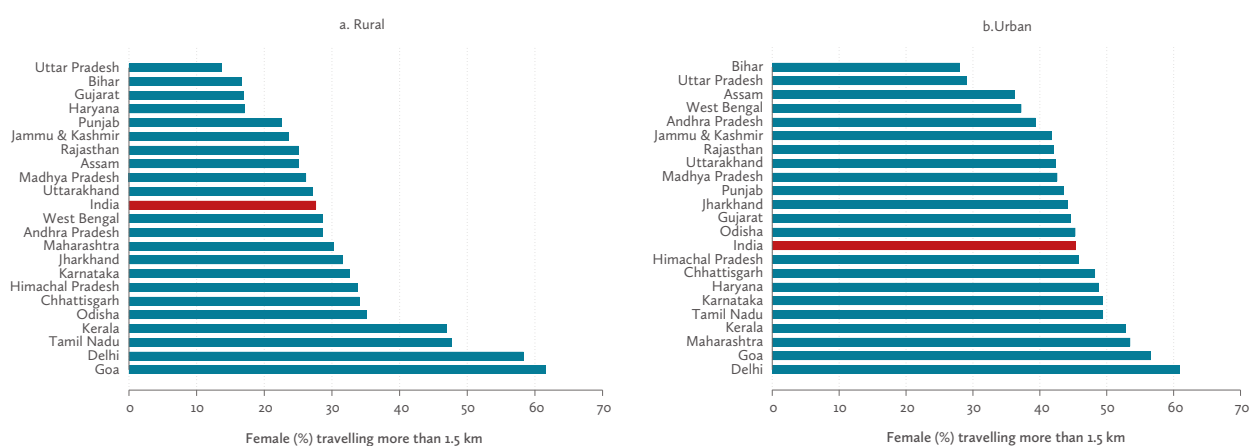
Sources and notes: NFHS 2015-16. The plot shows the coefficients from a regression of women's employment status on district level norms. See Methods Appendix for details on variables and Results Appendix for the full set of coefficients.

Figure 4.11: District level variation in the share of women employed per 100 hired workers



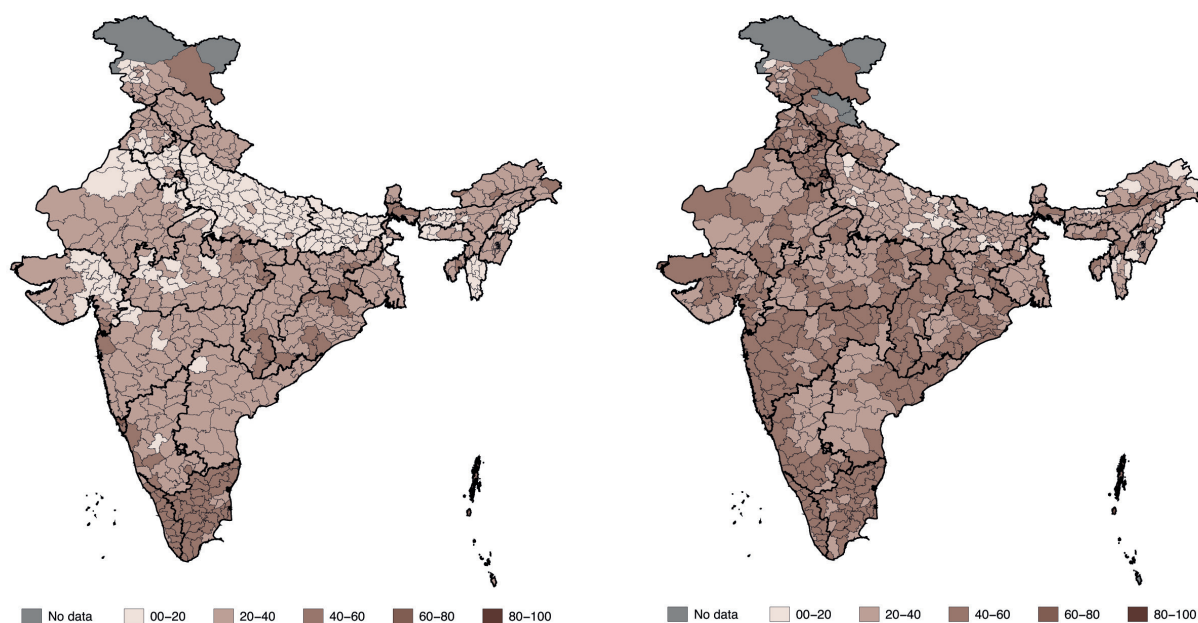
Sources and notes: Sixth Economic Census 2013.

Figure 4.12: Share of employed women who work outside their homes



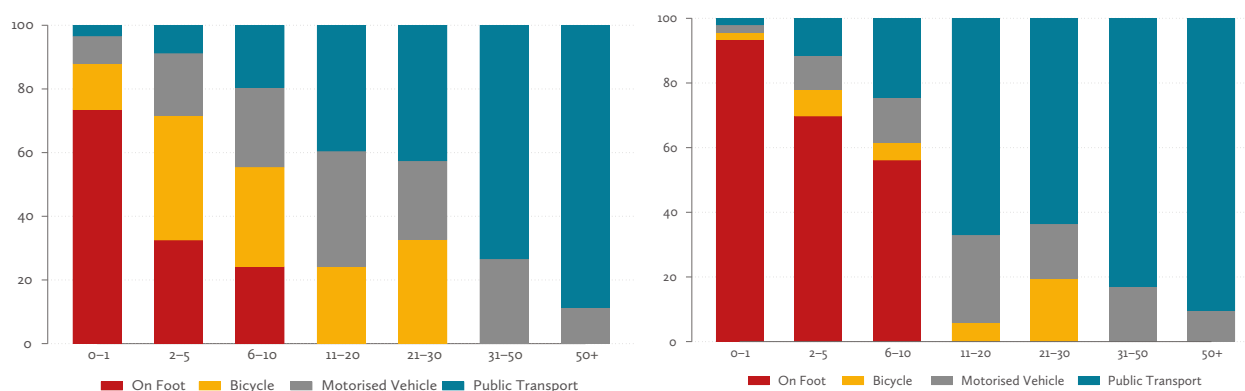
Sources and notes: Population Census 2011

Figure 4.13: Percentage of women in the non-agricultural sector who travelled at least 1.5 kms to work



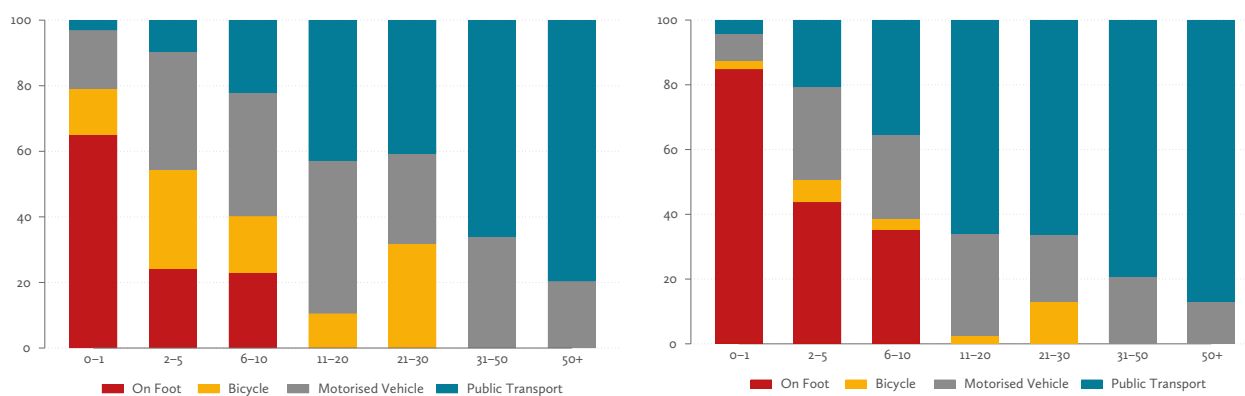
Sources and notes: Population Census 2011

Figure 4.14a: How do workers travel? Mode of transport for each distance bin in rural India for men (left) and women (right)



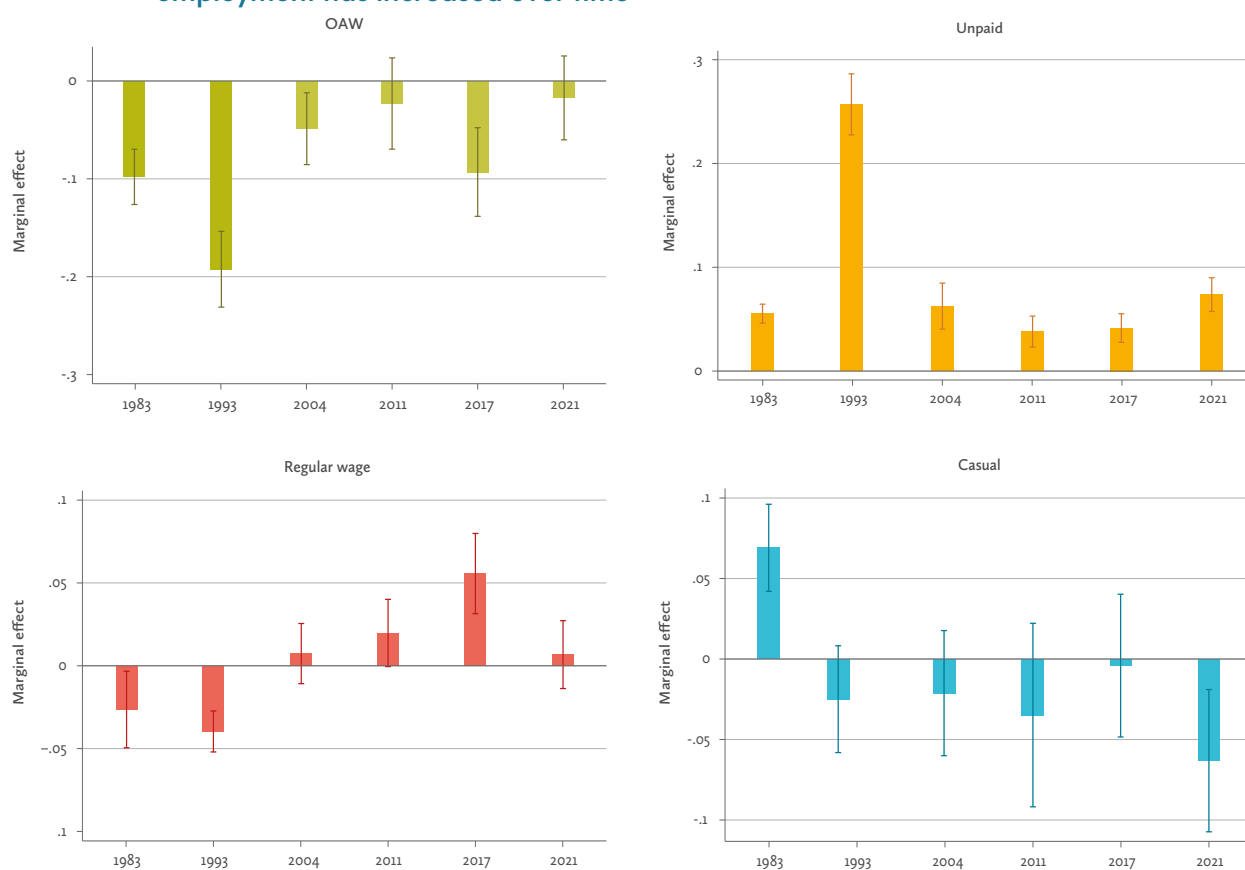
Sources and notes: Population Census 2011

Figure 4.14b: How do workers travel? Mode of transport for each distance bin in urban India for men (left) and women (right)



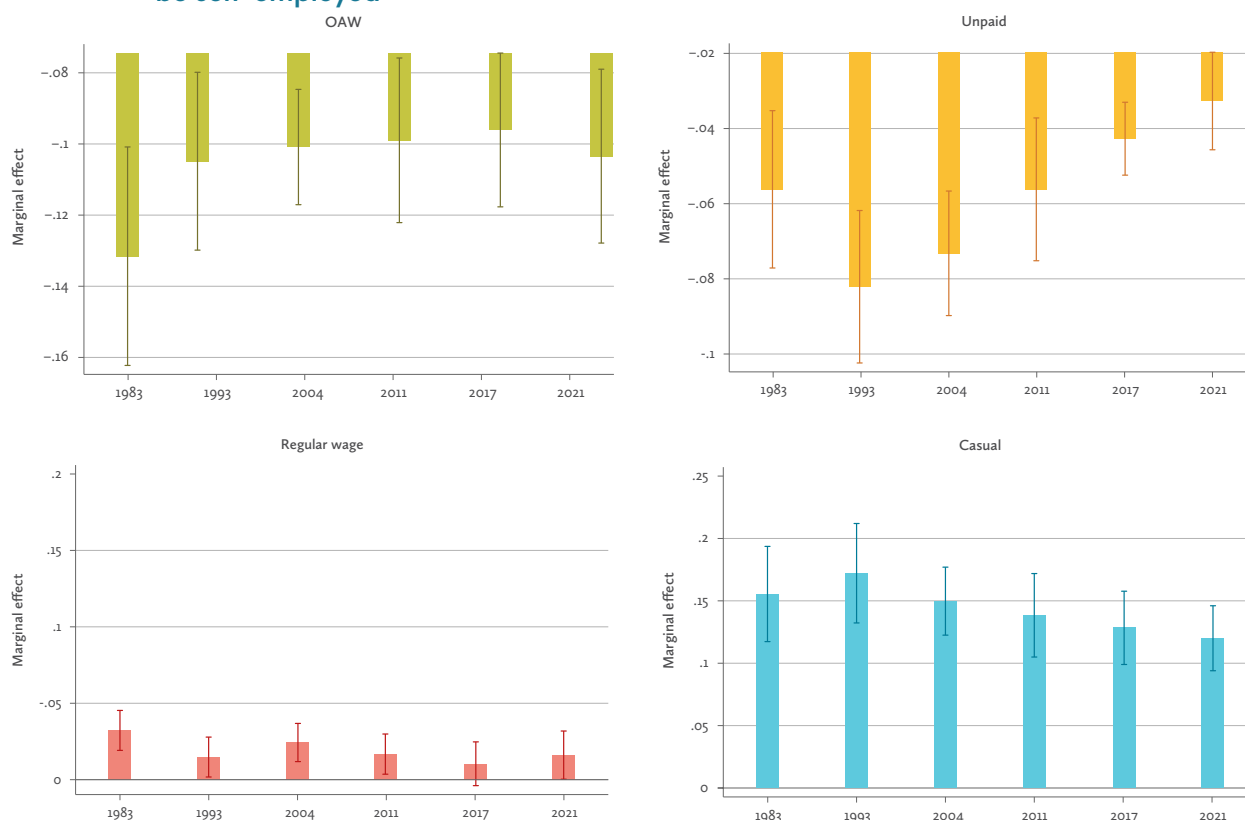
Sources and notes: Population Census 2011

Figure 5.1: Conditional on being employed, the likelihood of women being in regular wage employment has increased over time



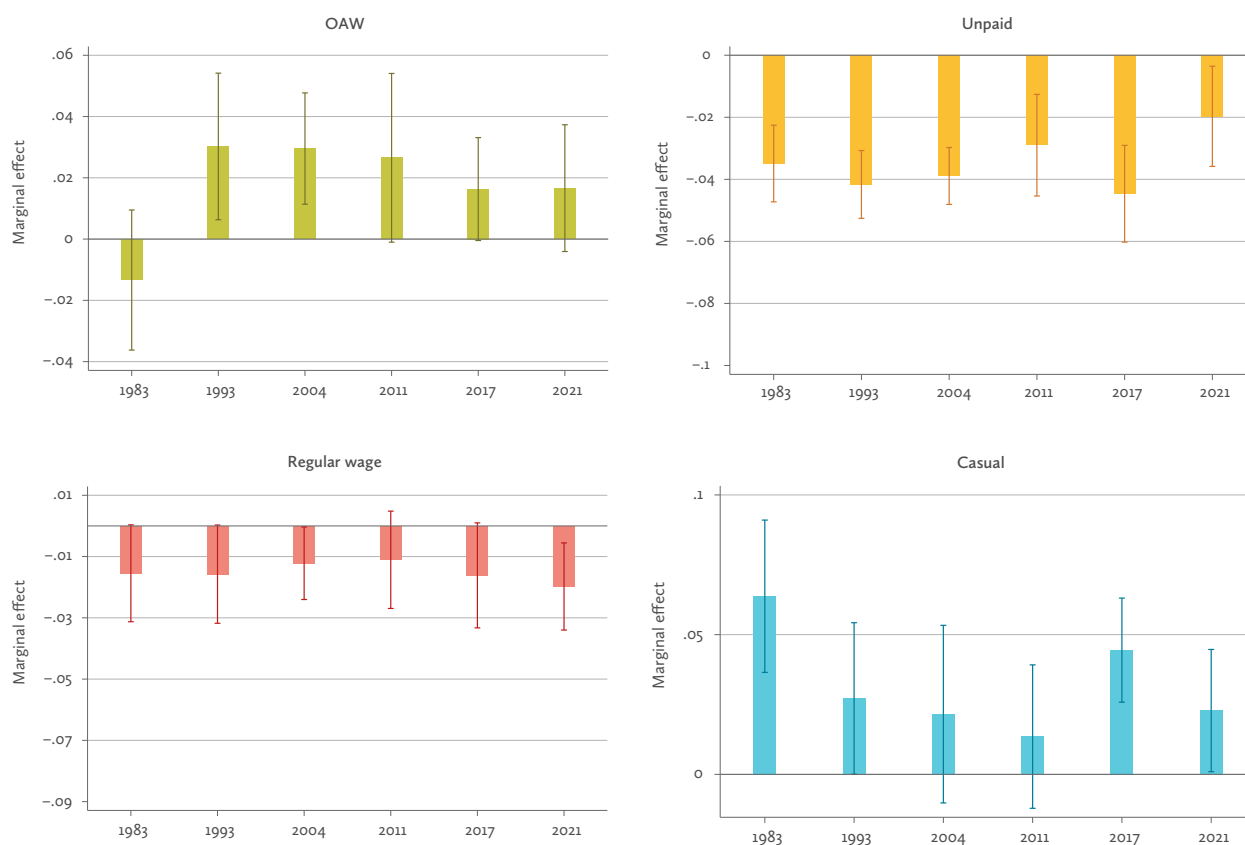
Sources and notes: NSS EUS and PLFS various years. Figures show marginal effects estimated from a multinomial logit model. See text and Methods Appendix for details. OAW = own-account worker

Figure 5.2: SC/ST workers are more likely to be in casual or regular wage work and less likely to be self-employed



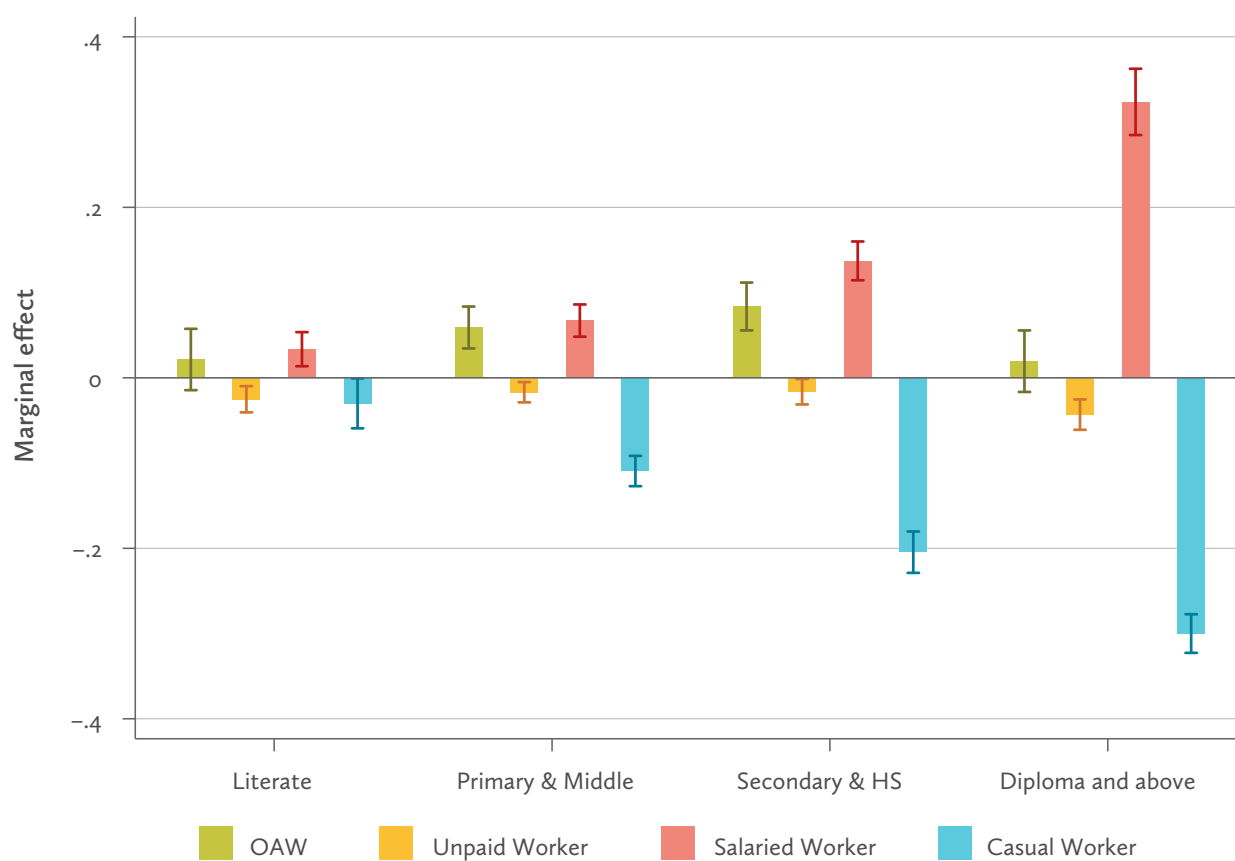
Sources and notes: NSS EUS and PLFS various years. Figures show marginal effects estimated from a multinomial logit model. See text and Methods Appendix for details.

Figure 5.3: Muslim workers are more likely to be in own account or casual wage work and less likely to be in regular wage employment.



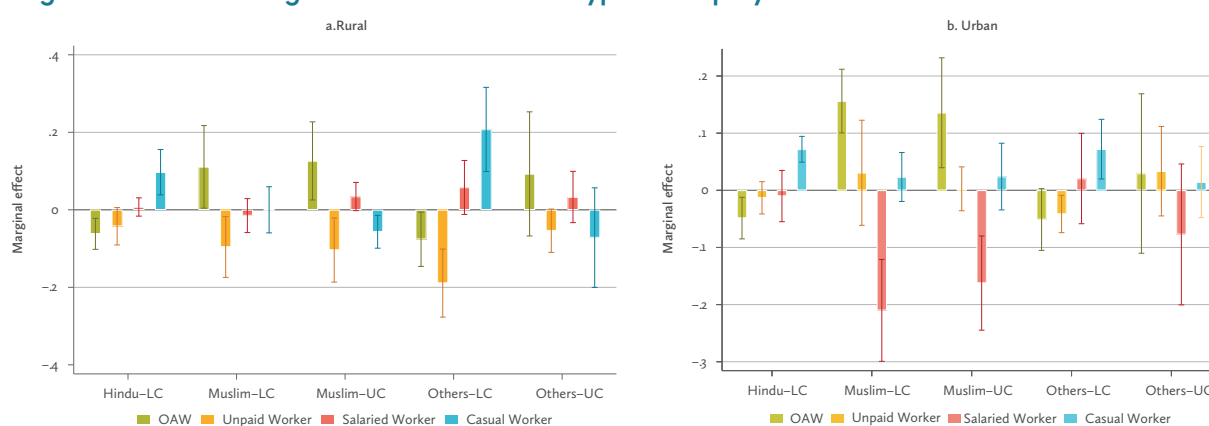
Sources and notes: NSS EUS and PLFS various years. Figures show marginal effects estimated from a multinomial logit model. See text and Methods Appendix for details.

Figure 5.4: Higher education attainment raises the likelihood of being in regular wage work

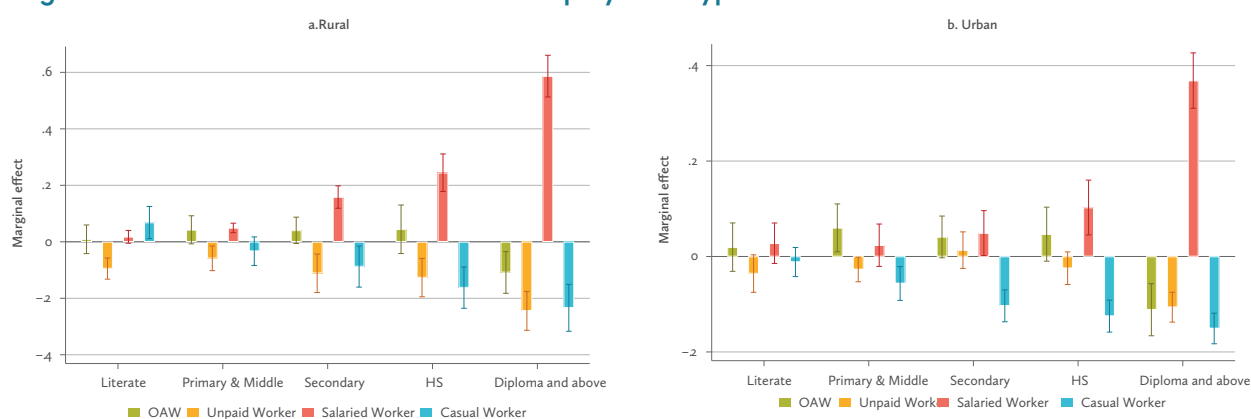


Sources and notes: PLFS 2021-22. Figures show marginal effects estimated from a multinomial logit model. See text and Methods Appendix for details.

Figure 5.5: Caste-religion intersections and type of employment for women



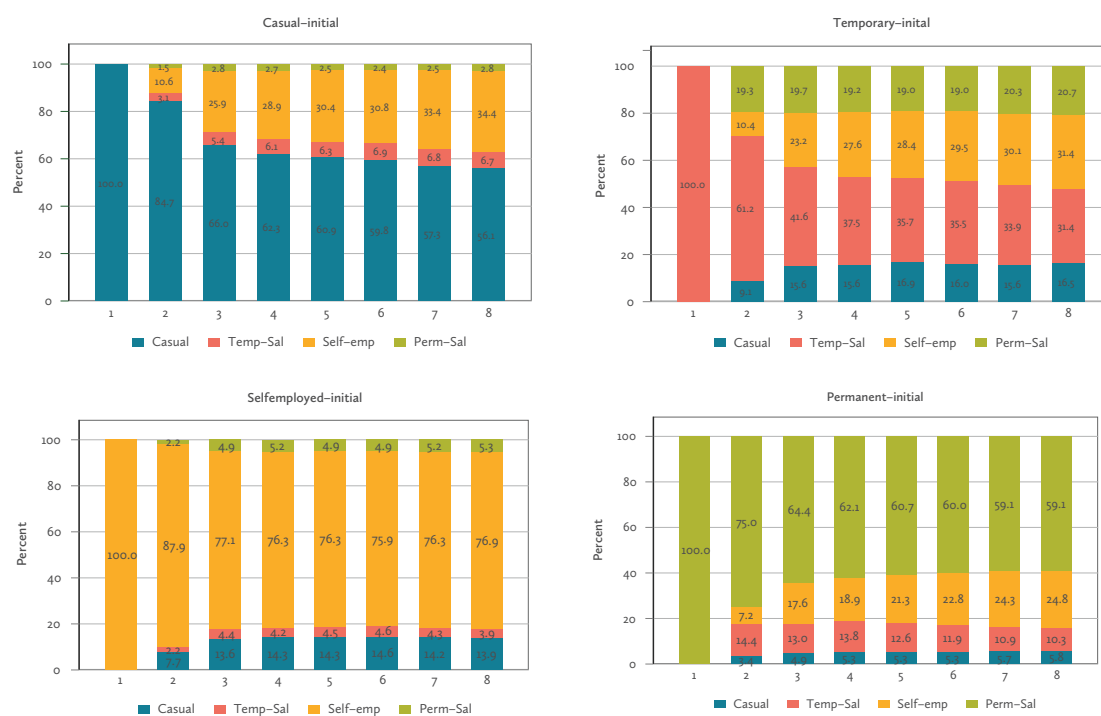
Sources and notes: PLFS 2021-22. Figures show marginal effects estimated from a multinomial logit model. See text and Methods Appendix for details. LC - lower caste. UC - upper caste.

Figure 5.6: Educational attainment and employment type for women workers

Sources and notes: PLFS 2021-22. Figures show marginal effects estimated from a multinomial logit model. See text and Methods Appendix for details.

Box 5.4

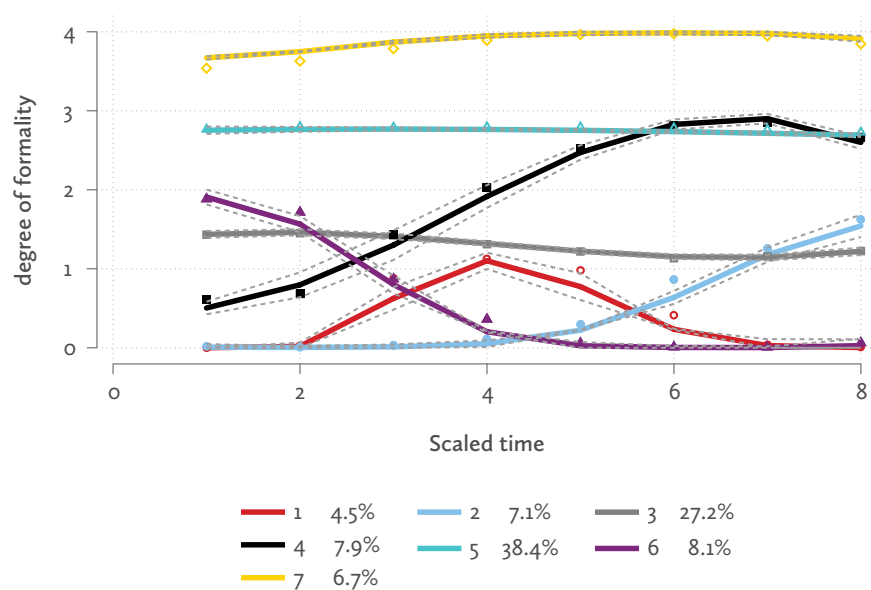
Figure 1: Employment transitions over 8 waves in CPHS



Sources and notes: CMIE Consumer Pyramids Household Survey

Box 5.4

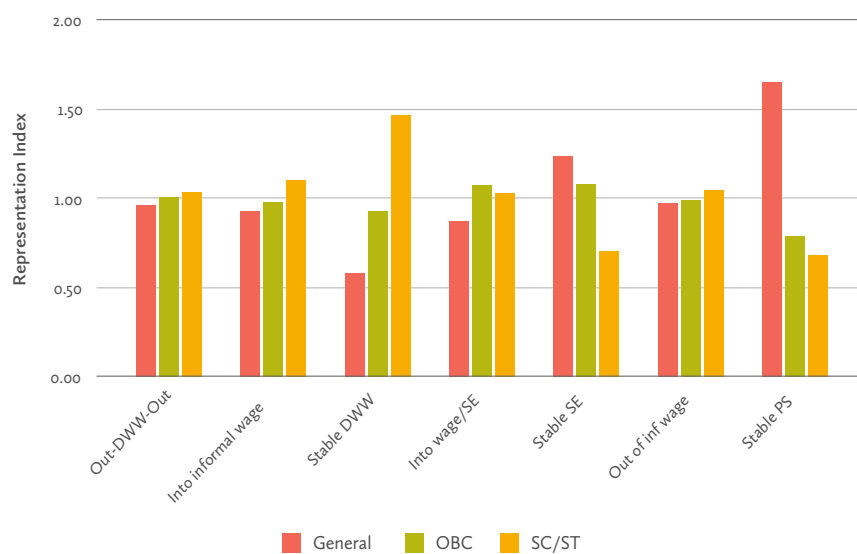
Figure 2: Major employment trajectories



Sources and notes: CMIE Consumer Pyramids Household Survey

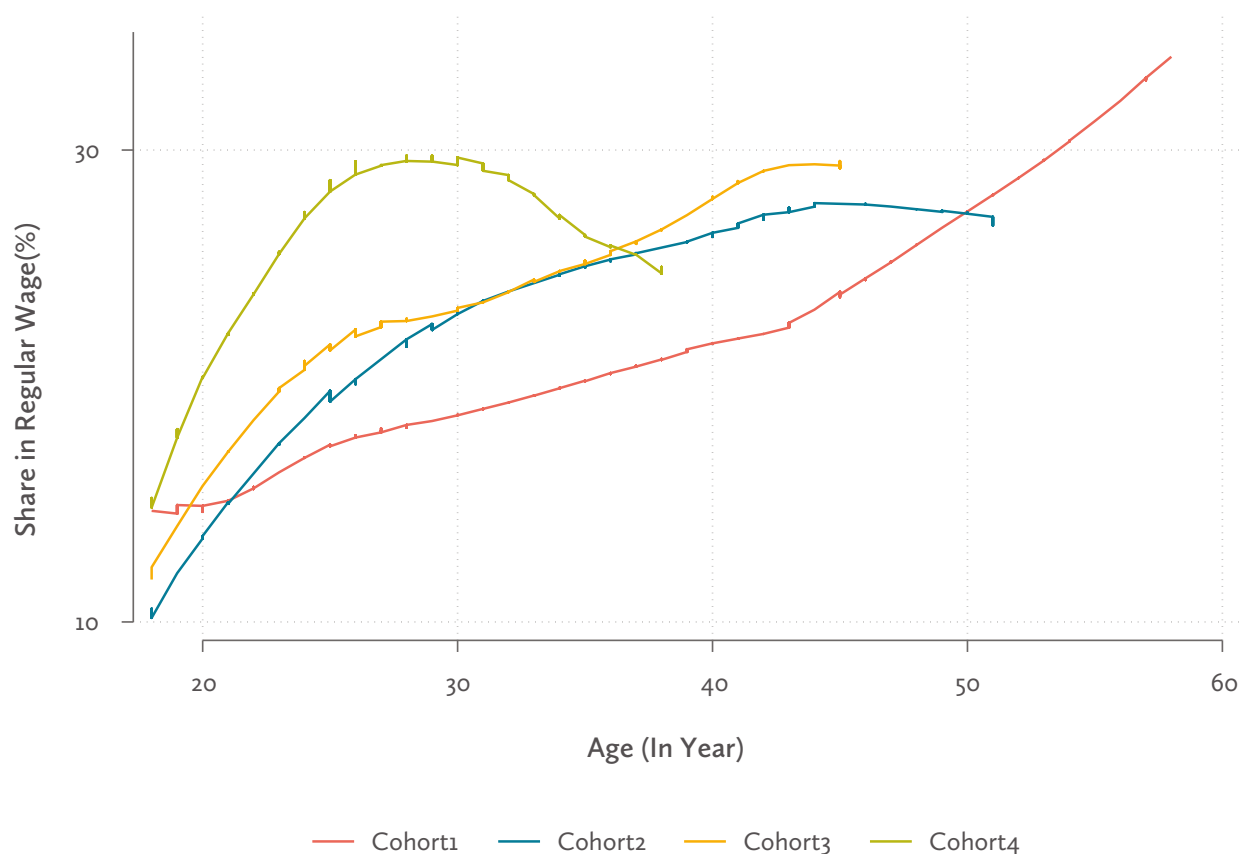
Box 5.4

Figure 3: Caste-based representation index for the dominant trajectory groups in the Indian labour market



Sources and notes: CMIE Consumer Pyramids Household Survey

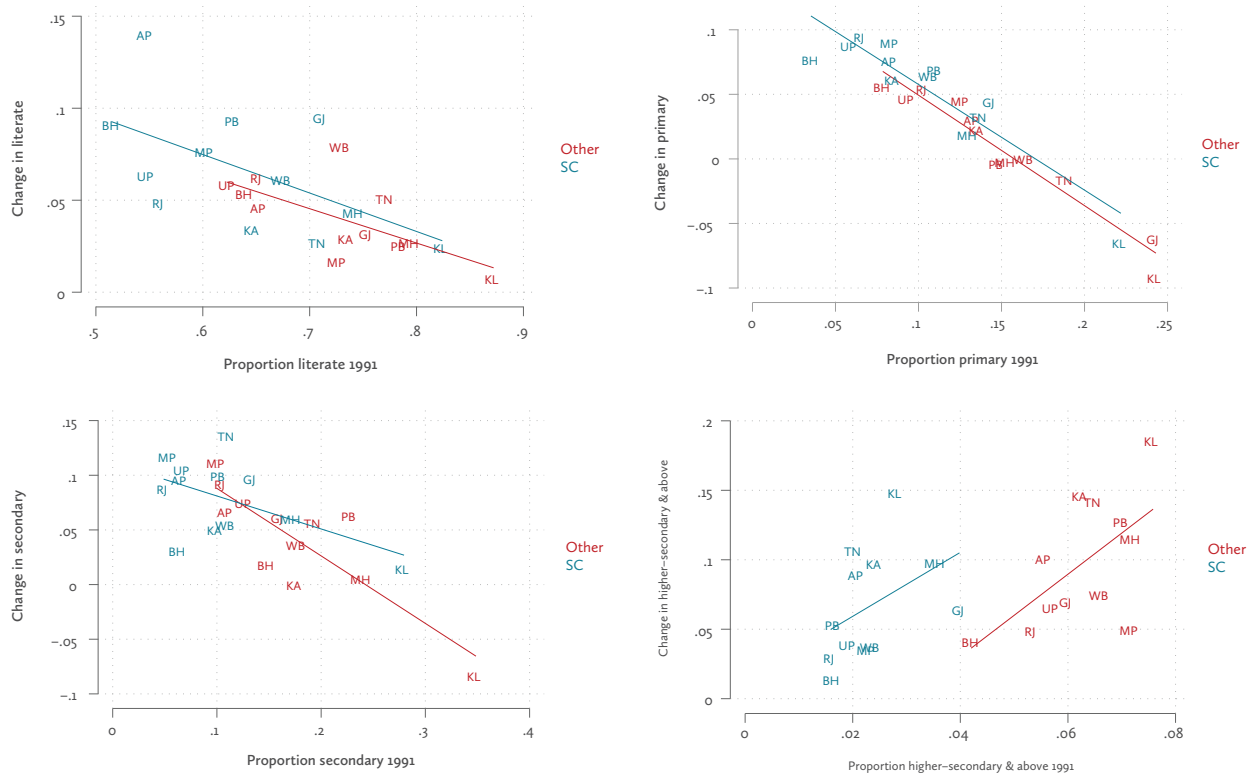
Figure 5.7: Proportion of regular wage workers among women in various age cohorts



Sources and notes: NSS EUS and PLFS various years. Age-specific cohorts are constructed for women workers from various survey years. See Table 5.5 and text for cohort details.

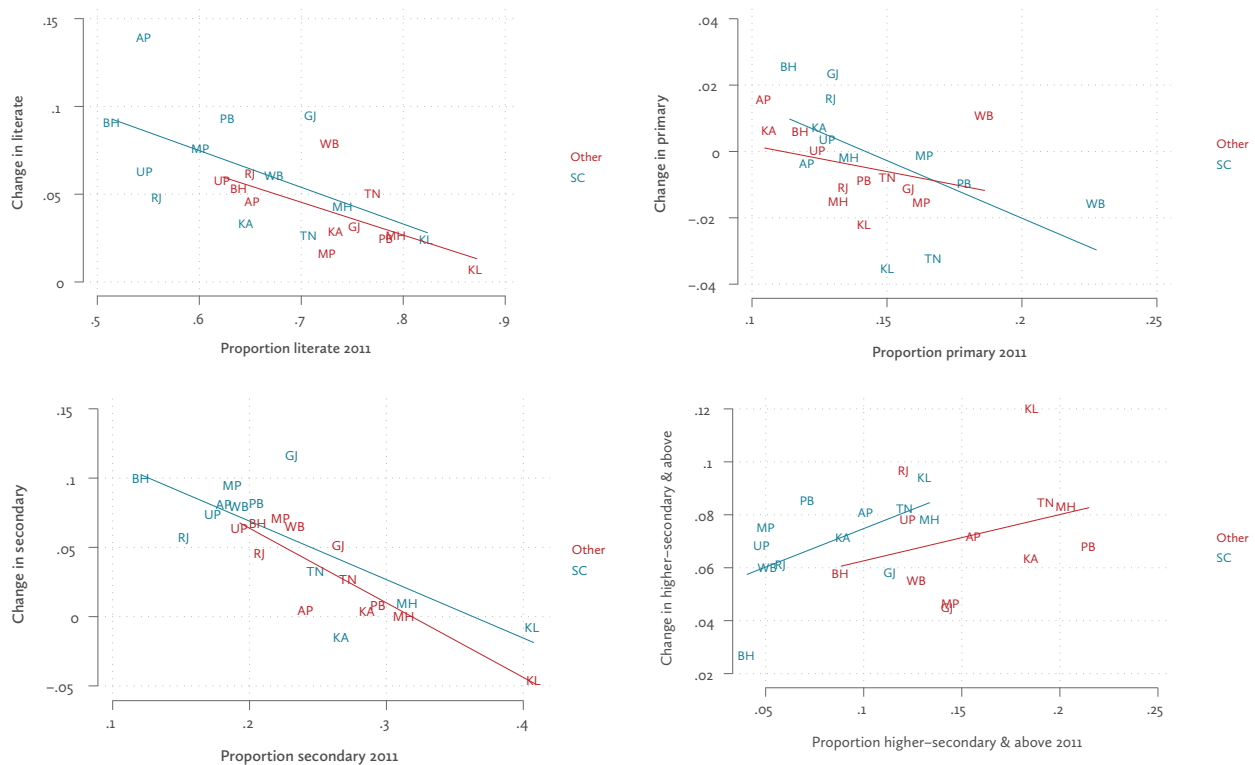
Figure 5.8: Convergence in educational attainment across states for SCs and Others

a. 1991 to 2011



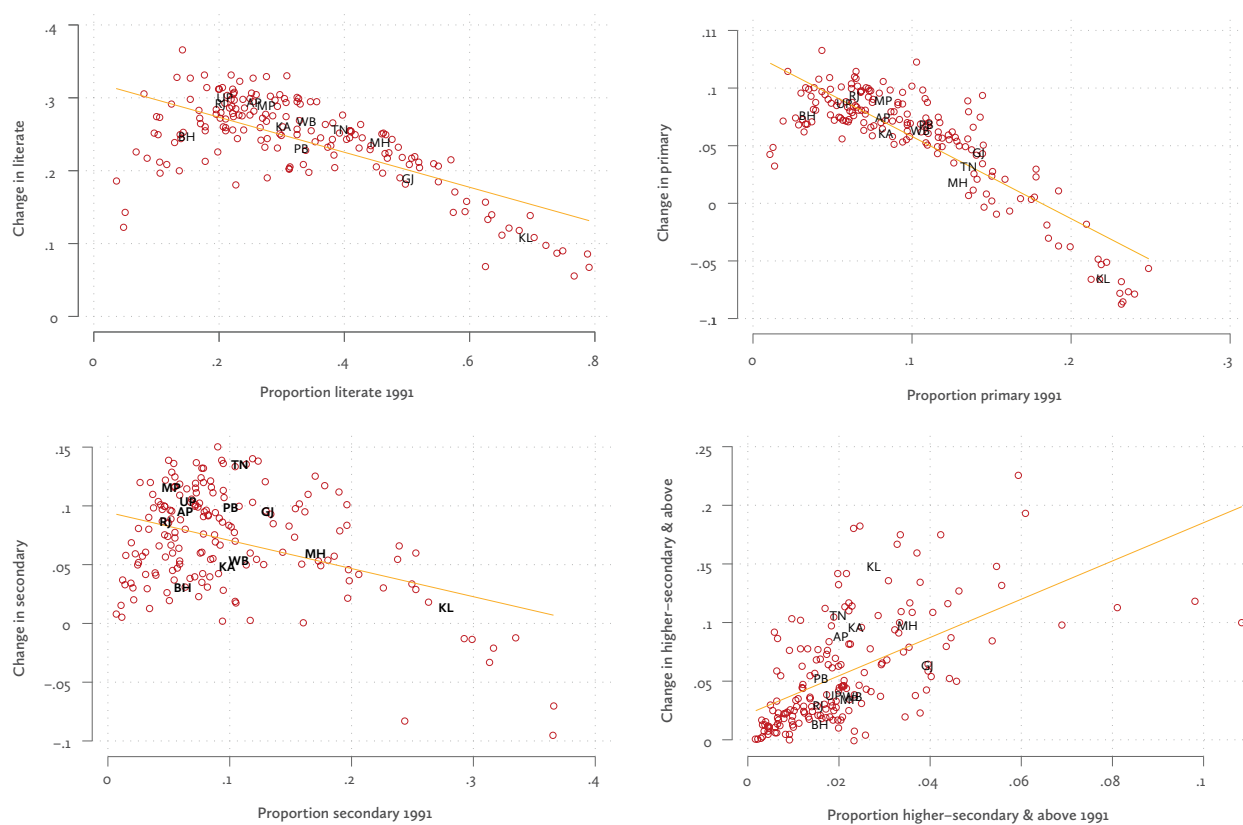
Sources and notes: Population Census 1991 and 2011. Others : Non SC /ST

b. 2011 to 2021



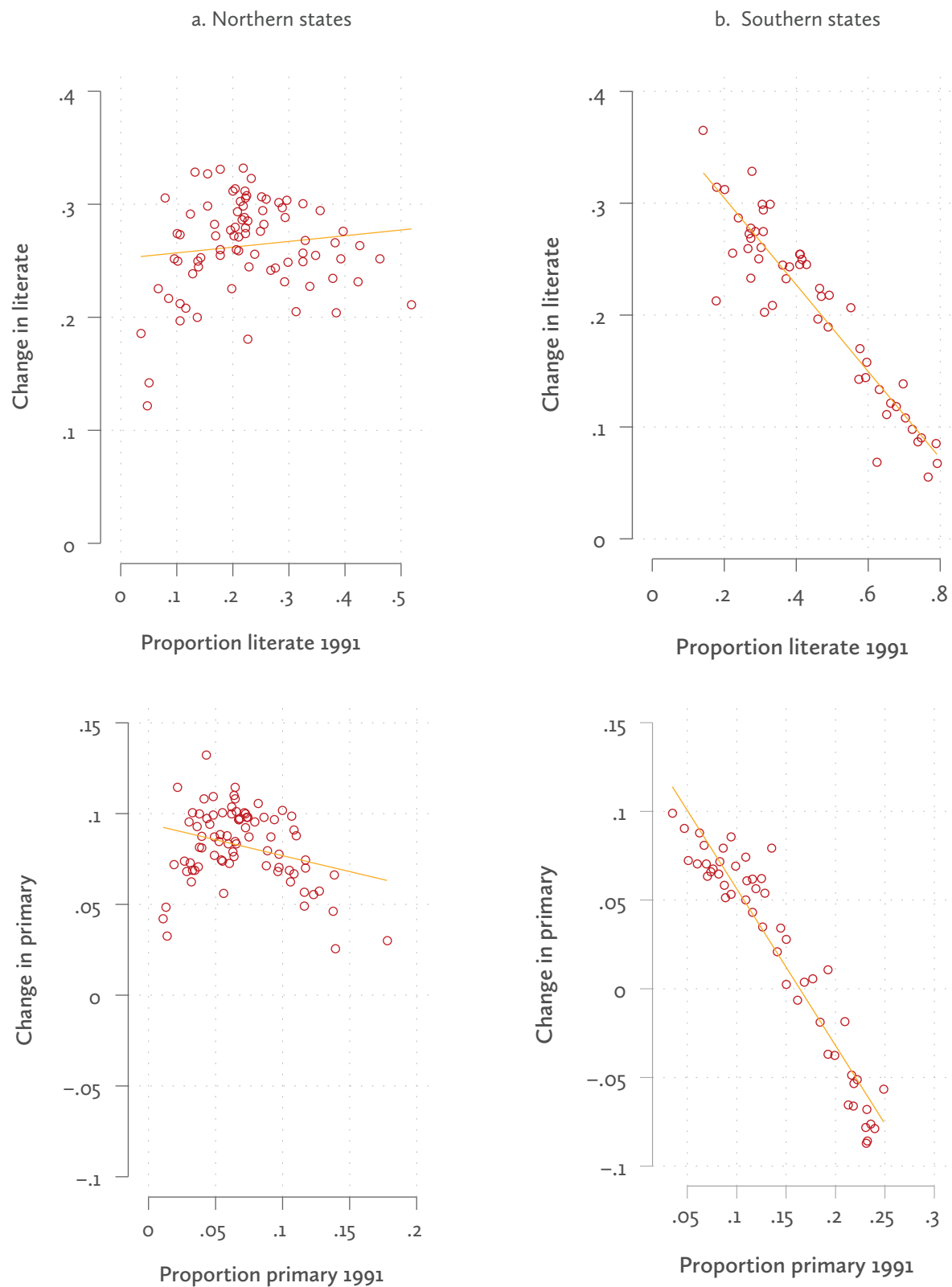
Sources and notes: NSS EUS 2011 and PLFS 2021. Others : Non SC /ST

Figure 5.9: Convergence in educational attainment across states for SC jatis



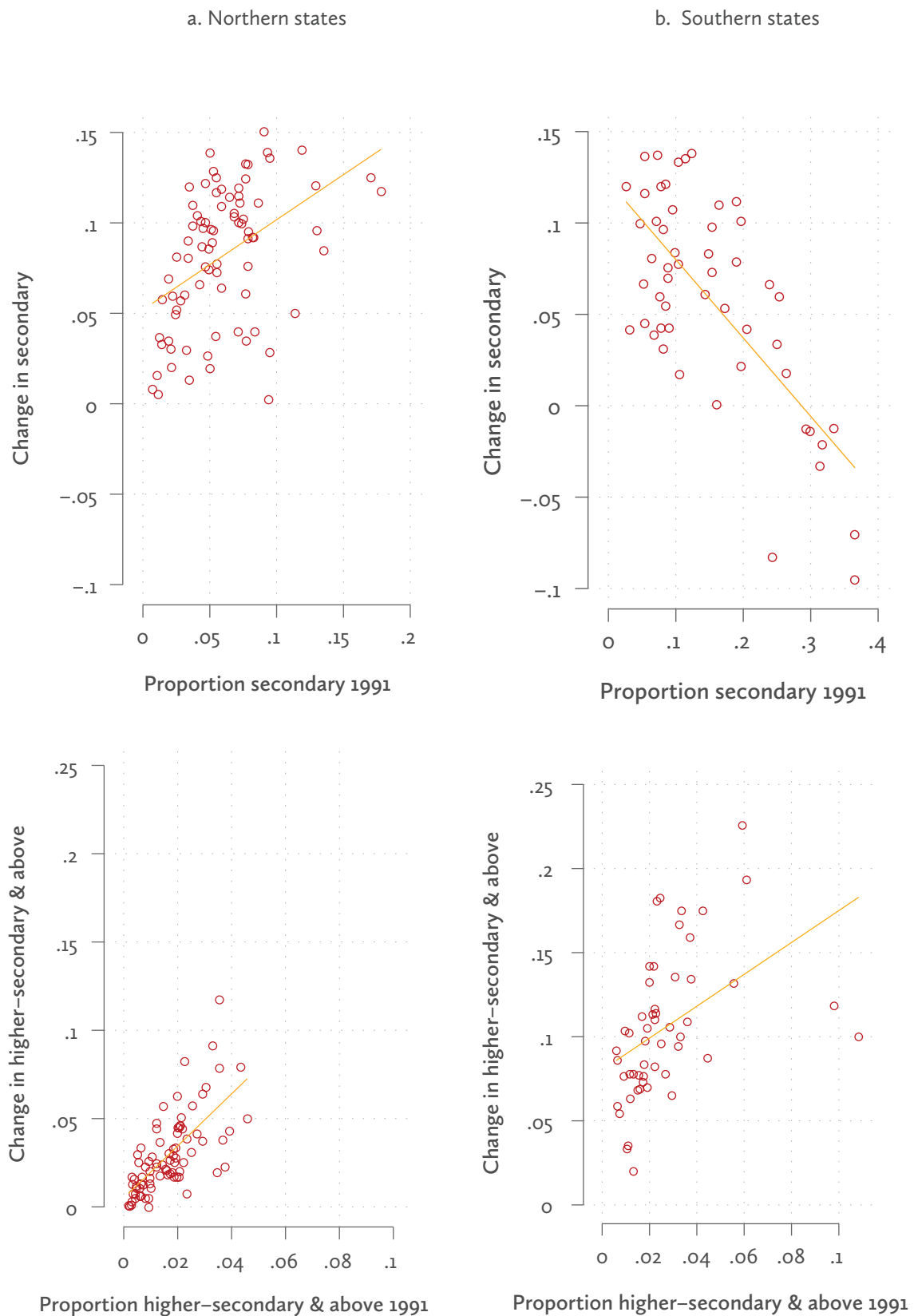
Sources and notes: Population Census 1991 and 2011

Figure 5.10: Southern states display convergence in educational attainment for SC jatis but northern states do not



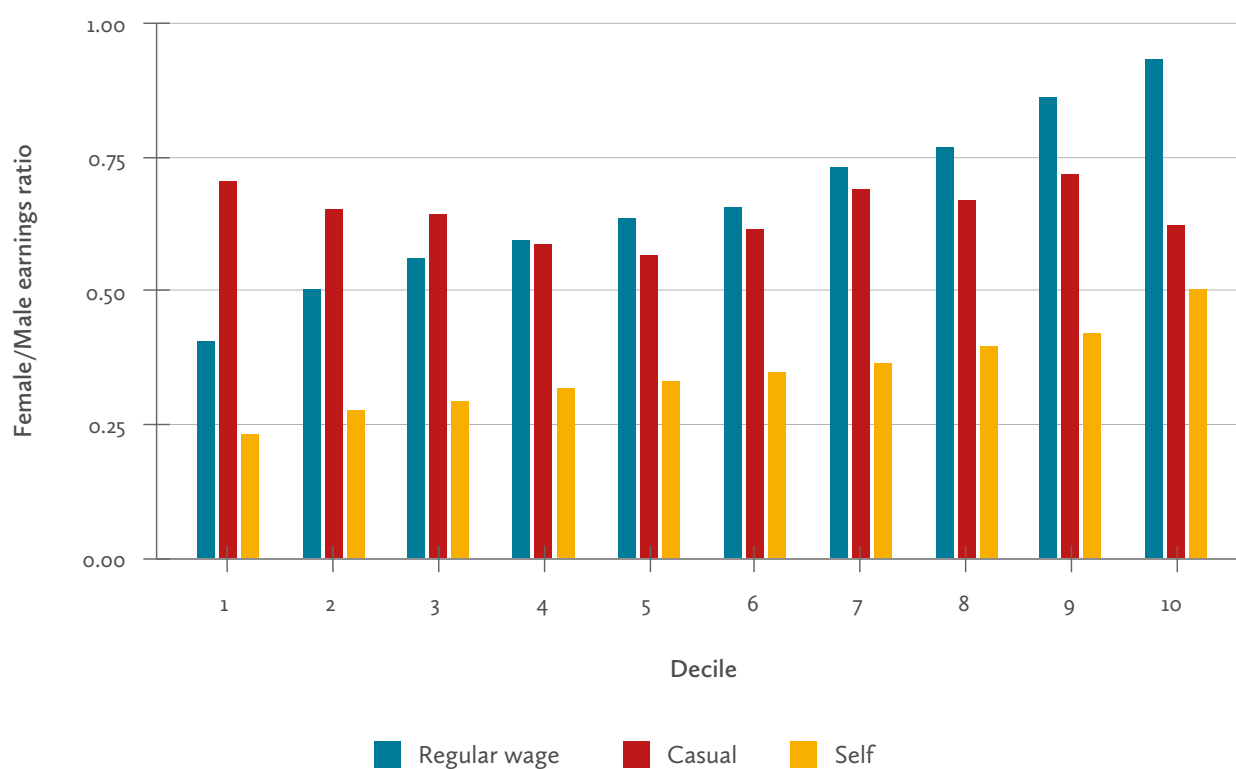
Sources and notes: Population Census 1991 and 2011

Figure 5.10: (Cont'd) Southern states display convergence in educational attainment for SC jatis but northern states do not



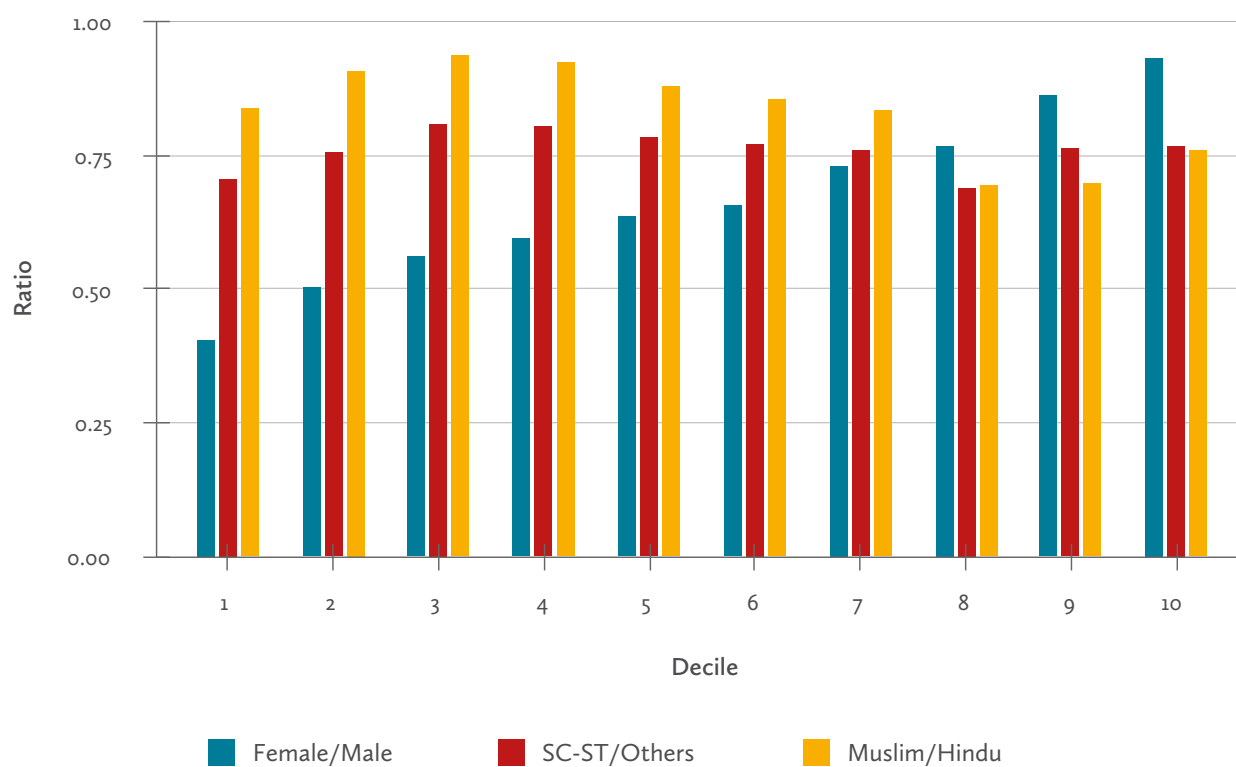
Sources and notes: Population Census 1991 and 2011

Figure 6.1: The gender earnings gap decreases with higher earnings



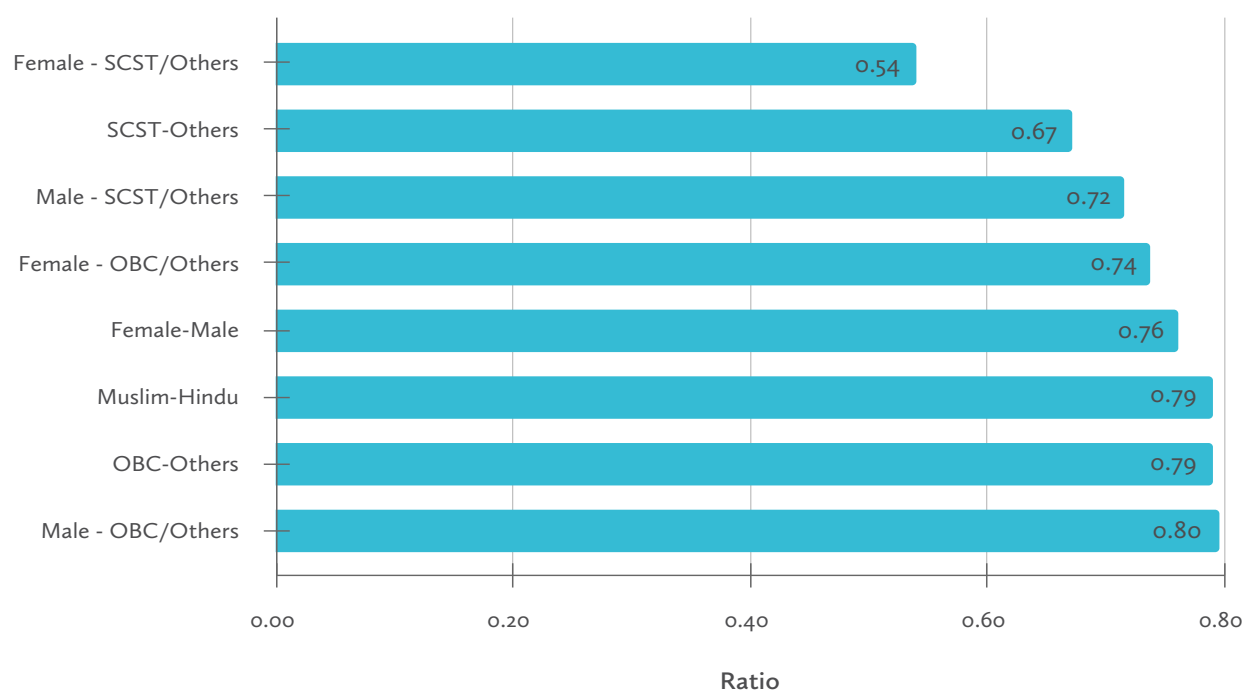
Sources and notes: PLFS 2021-22

Figure 6.2: The gender gap falls while the religion gap widens over the earnings distribution



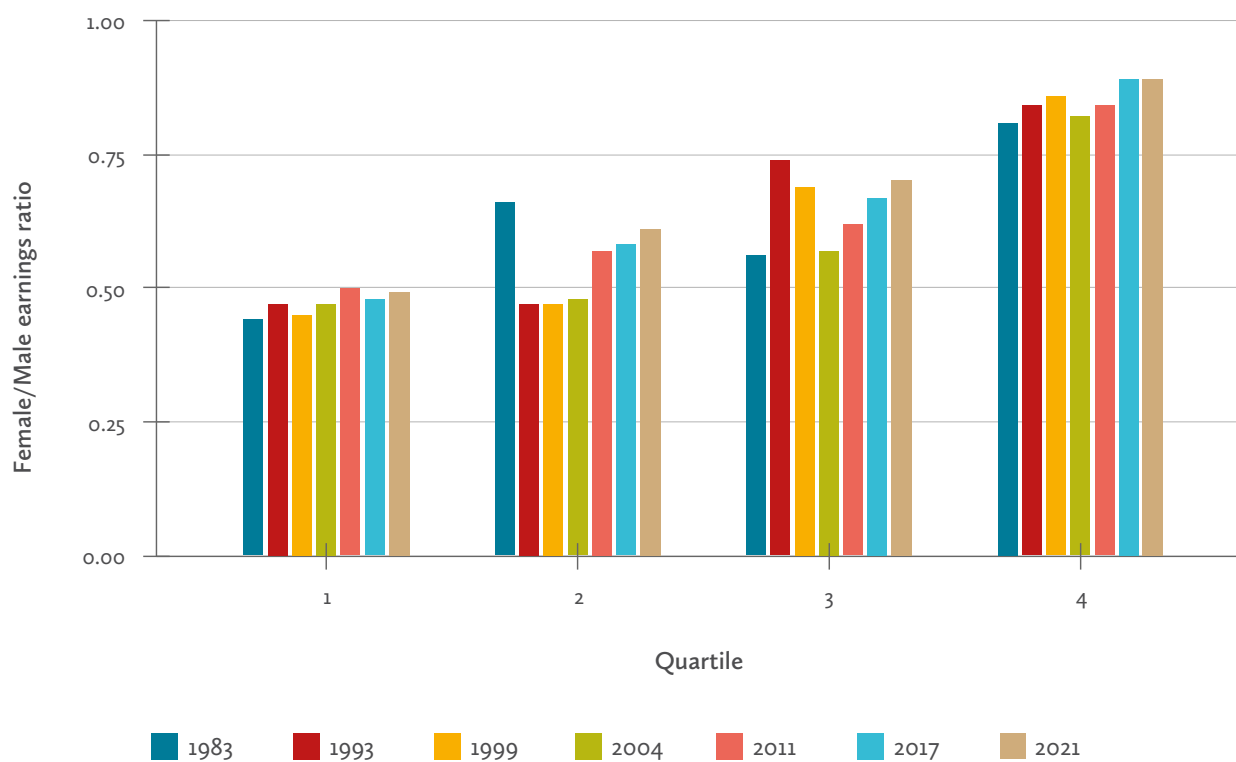
Sources and notes: PLFS 2021-22

Figure 6.3: Comparing caste, gender and religion-based earnings gaps for regular wage workers



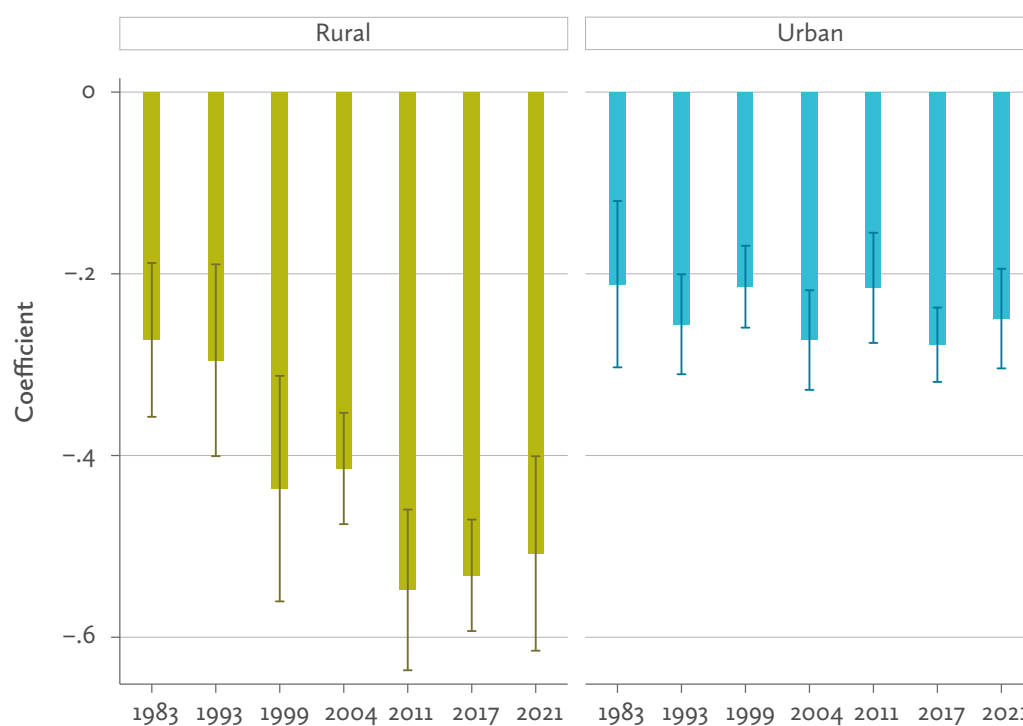
Sources and notes: PLFS 2021-22

Figure 6.4: The gender earnings gap has decreased over time among regular wage workers



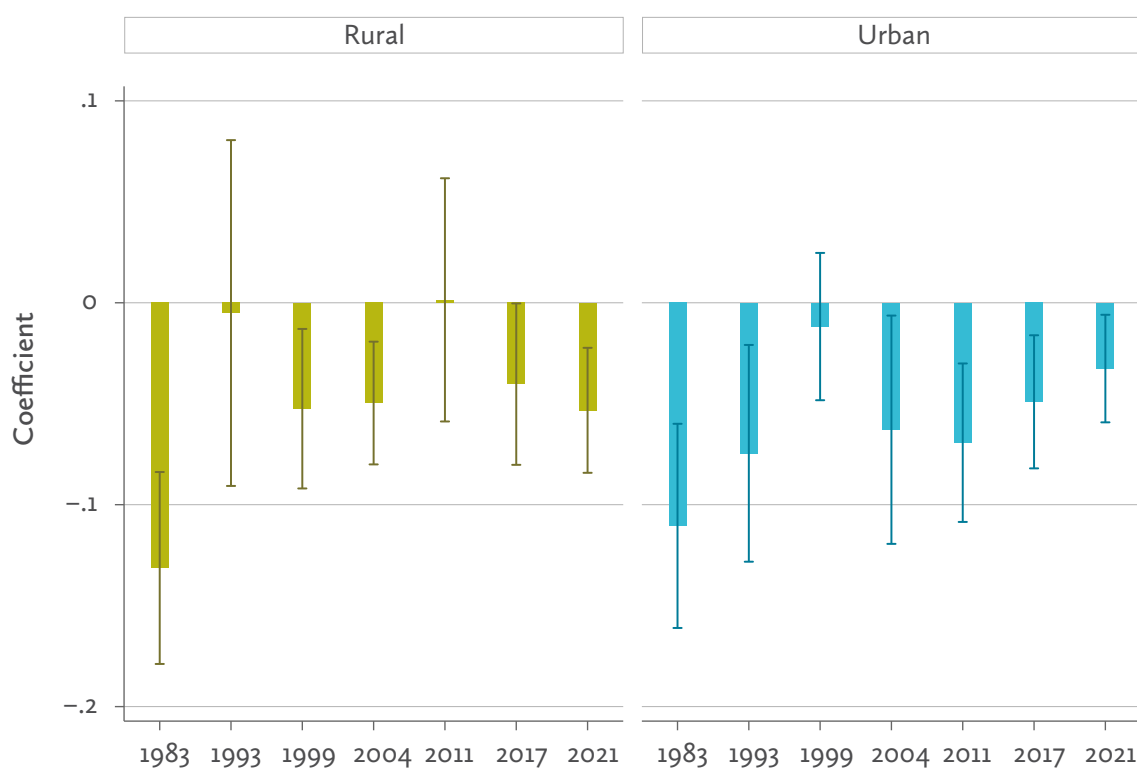
Sources and notes: PLFS 2021-22

Figure 6.5: The unexplained gender gap for regular wage workers rose in rural areas but not in urban areas



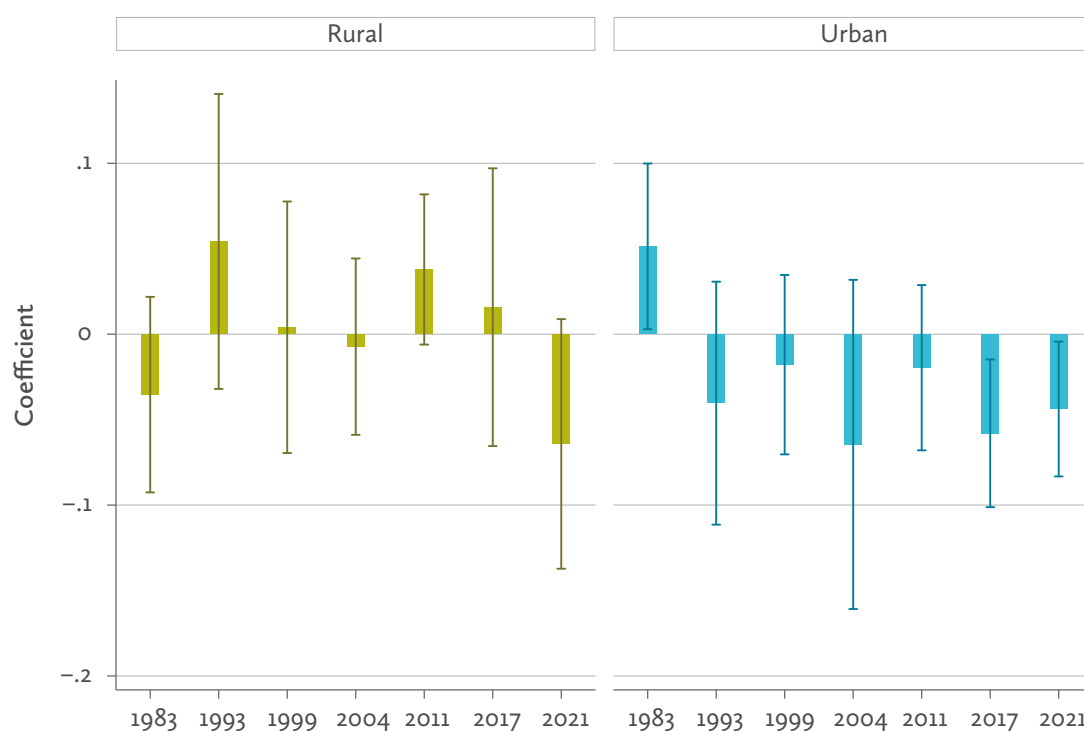
Sources and notes: NSSO EUS and PLFS various rounds. Shown are the regression coefficients from an OLS regression with indicator variables for each social identity. See Methods Appendix for details. The full regression results are provided in the Results Appendix.

Figure 6.6: The unexplained earnings gap for SC/ST workers fell over time in rural and urban areas

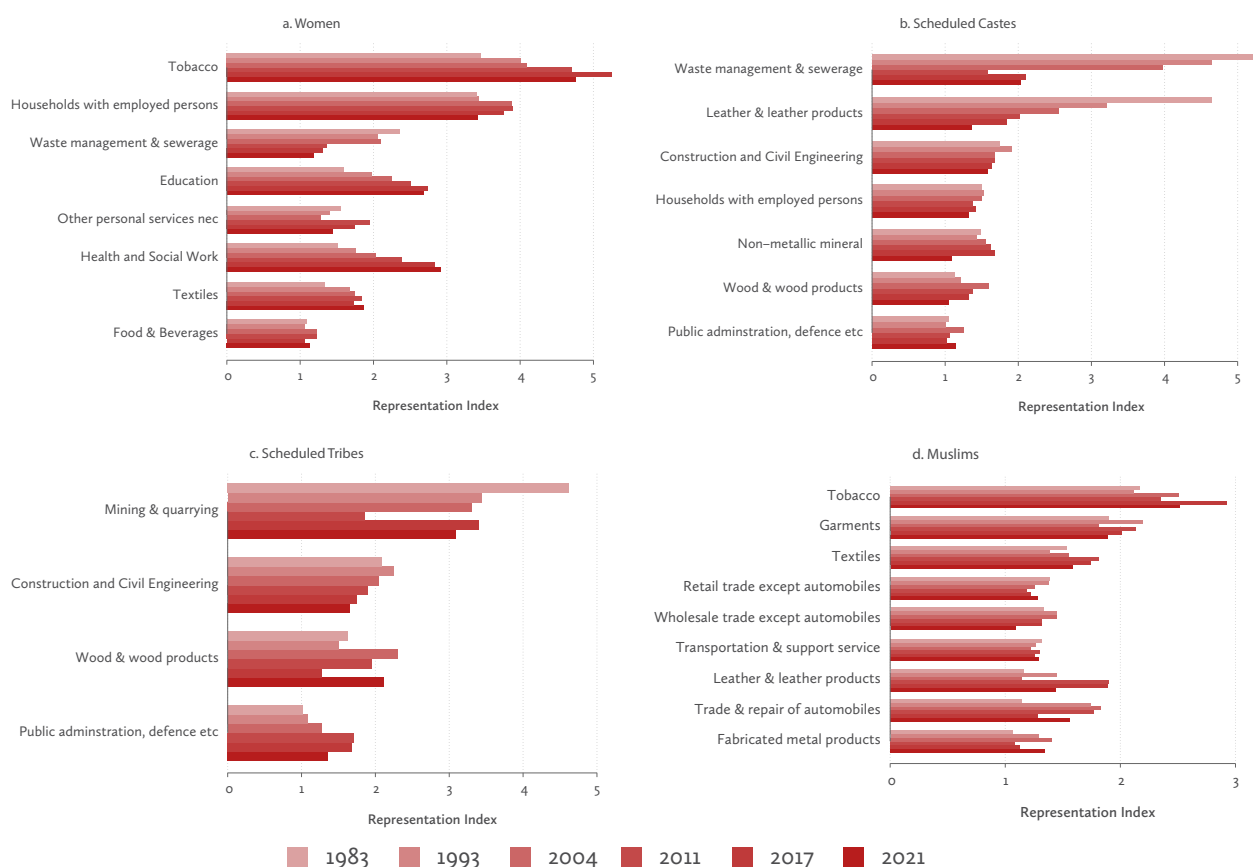


Sources and notes: NSSO EUS and PLFS various rounds. Shown are the regression coefficients from an OLS regression with indicator variables for each social identity. See Methods Appendix for details. The full regression results are provided in the Results Appendix.

Figure 6.7: A significant earnings gap for Muslim workers is observed since 2017 and only in urban areas

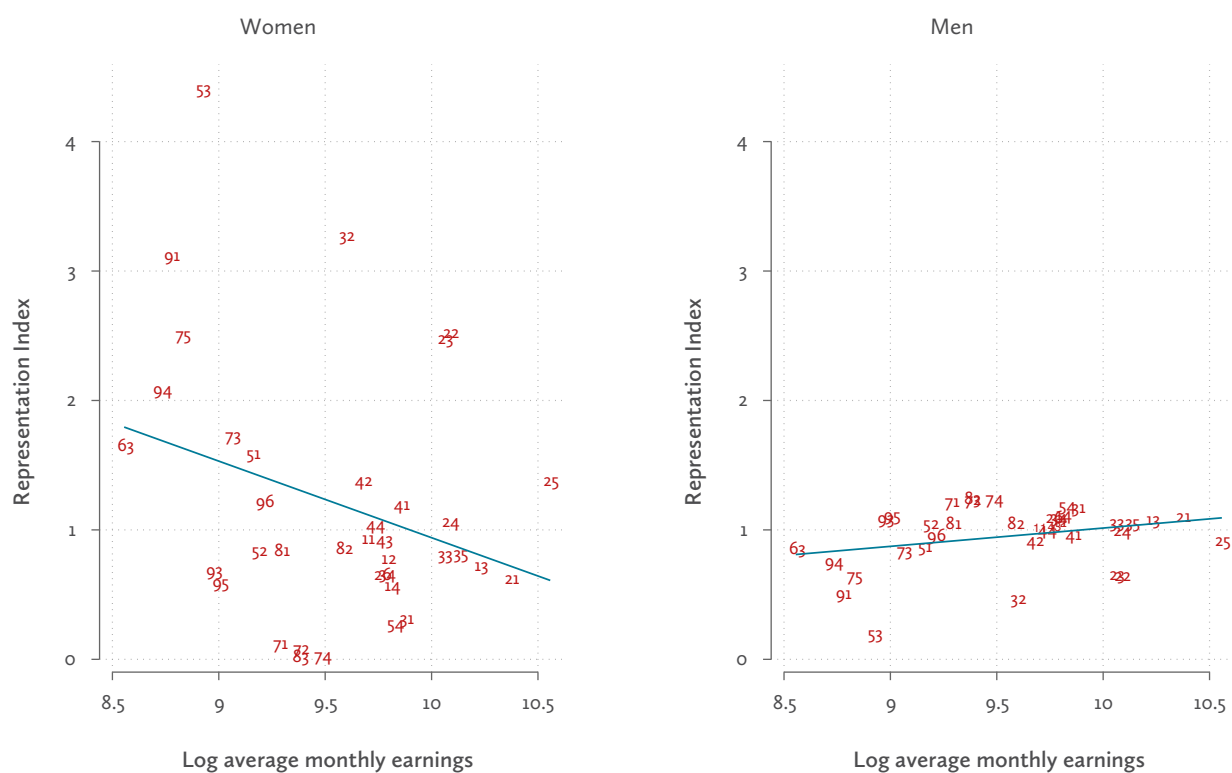


Sources and notes: NSSO EUS and PLFS various rounds. Shown are the regression coefficients from an OLS regression with indicator variables for each social identity. See Methods Appendix for details. The full regression results are provided in the Results Appendix.

Figure 6.8: Industries that show consistent over-representation for disadvantaged identities

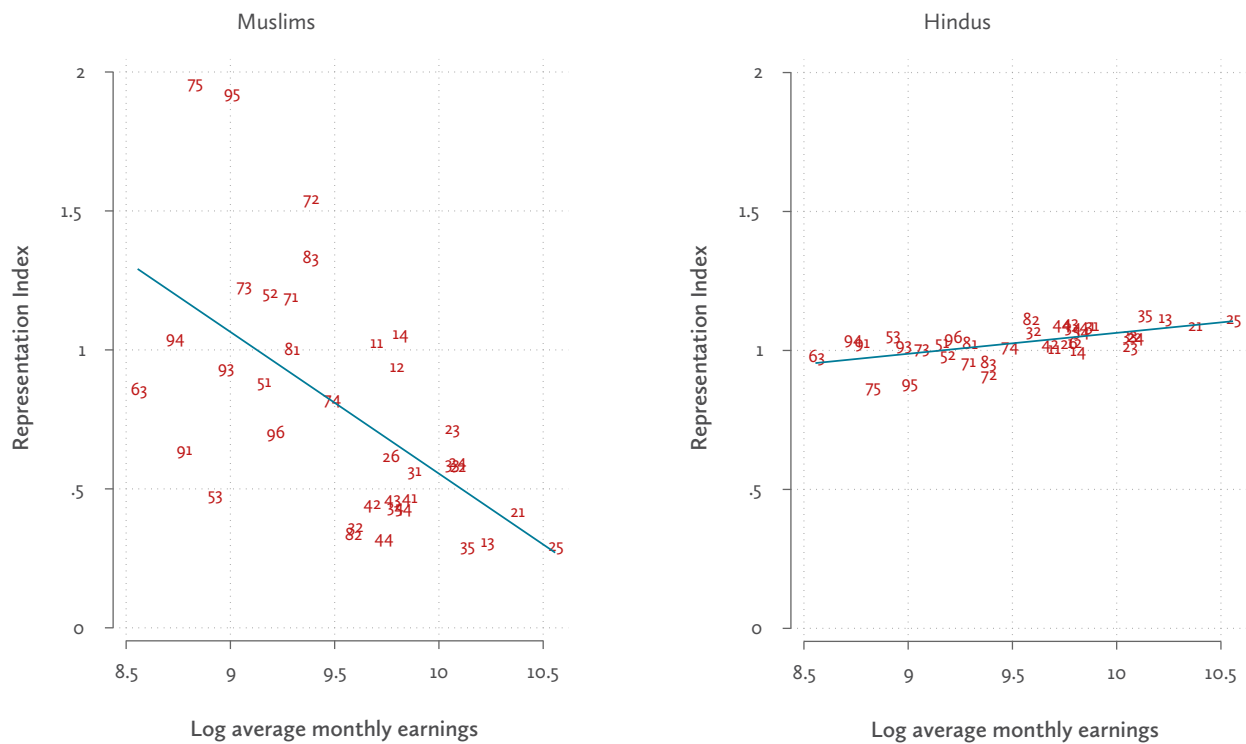
Sources and notes: NSSO EUS and PLFS various rounds. Shown are Representation Indices. See text and Methods Appendix for details.

Figure 6.9: Women are over-represented in low paying occupations while men are over-represented in high paying ones



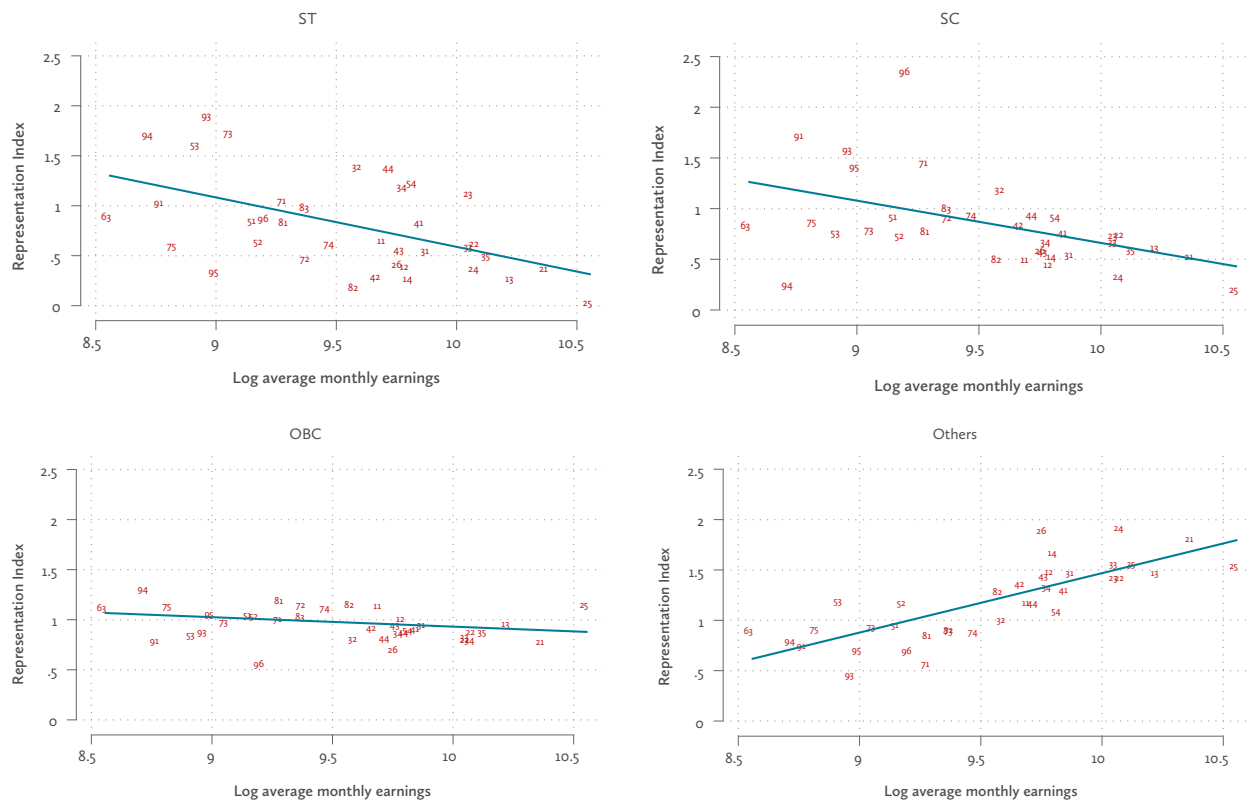
Sources and notes: PLFS 2021-22. See Results Appendix for occupation names corresponding to the codes. The X-axis shows log earnings. Actual earnings range between ₹5000 and ₹36000 per month.

Figure 6.10: Muslims are over-represented in low paying occupations while Hindus are over-represented in high paying ones



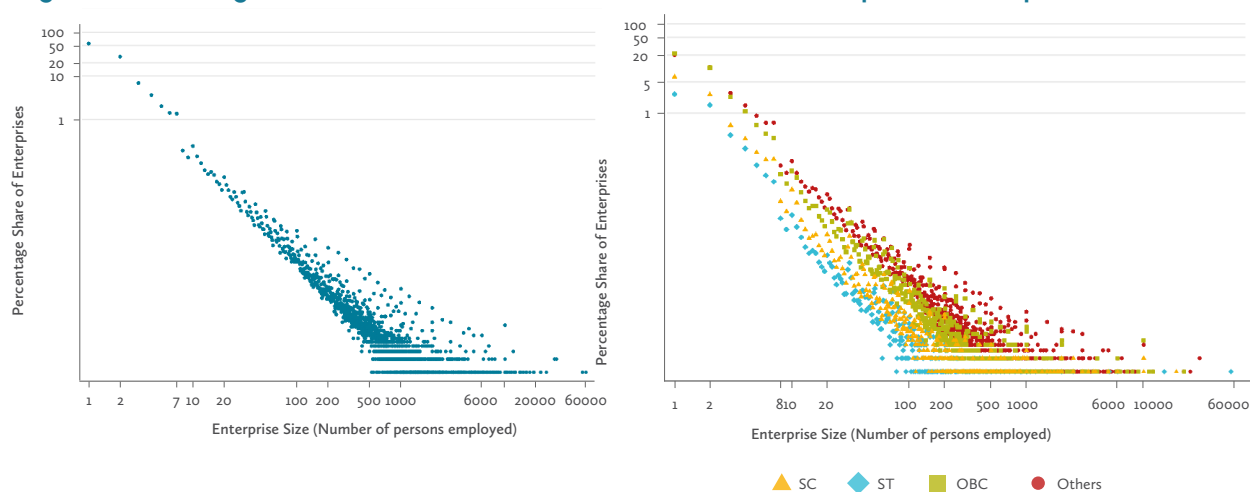
Sources and notes: PLFS 2021-22. See Results Appendix for occupation names corresponding to the codes. The X-axis shows log earnings. Actual earnings range between ₹5000 and ₹36000 per month.

Figure 6.11: Marginalised caste groups are over-represented in low paying occupations while dominant caste groups are over-represented in high paying ones



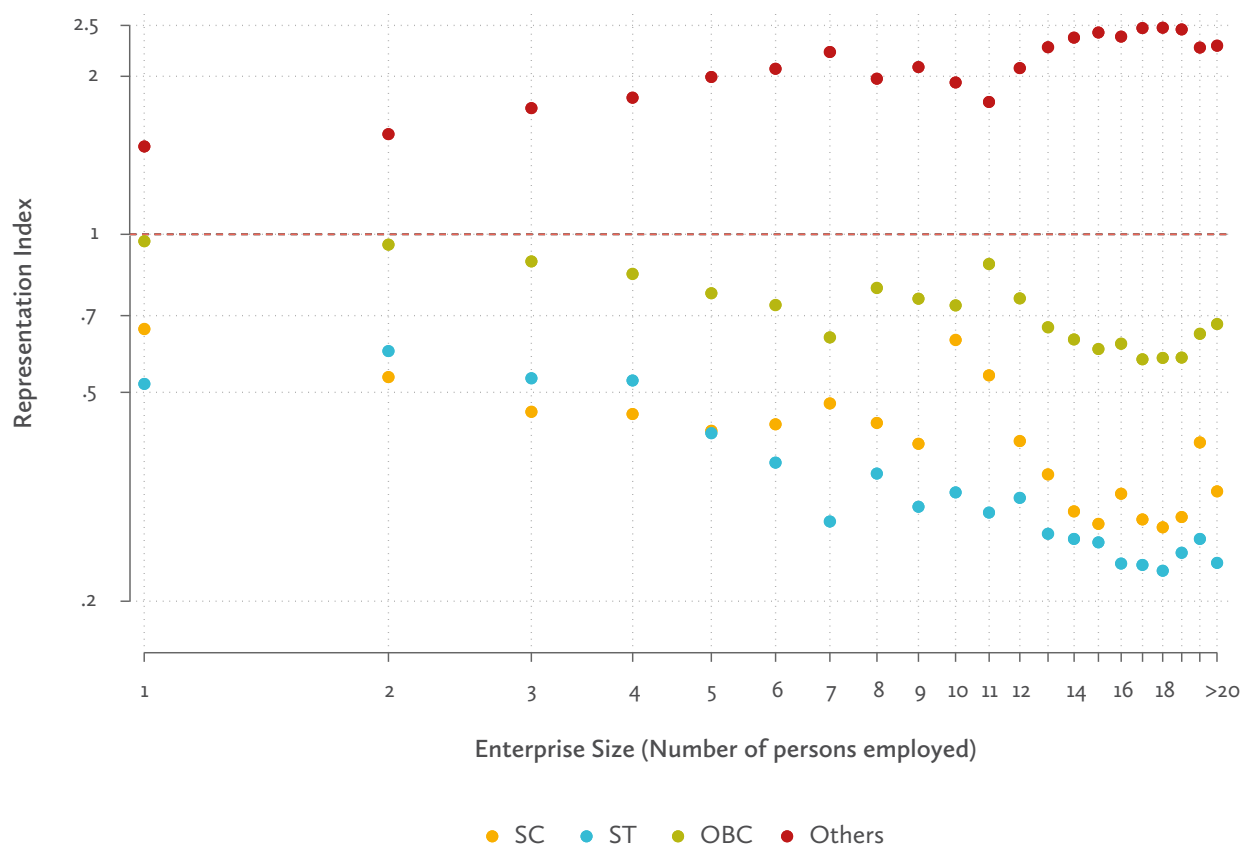
Sources and notes: PLFS 2021-22. See Results Appendix for occupation names corresponding to the codes. The X-axis shows log earnings. Actual earnings range between ₹5000 and ₹36000 per month.

Figure 6.12: Marginalised caste owners tend to own smaller enterprise as compared to



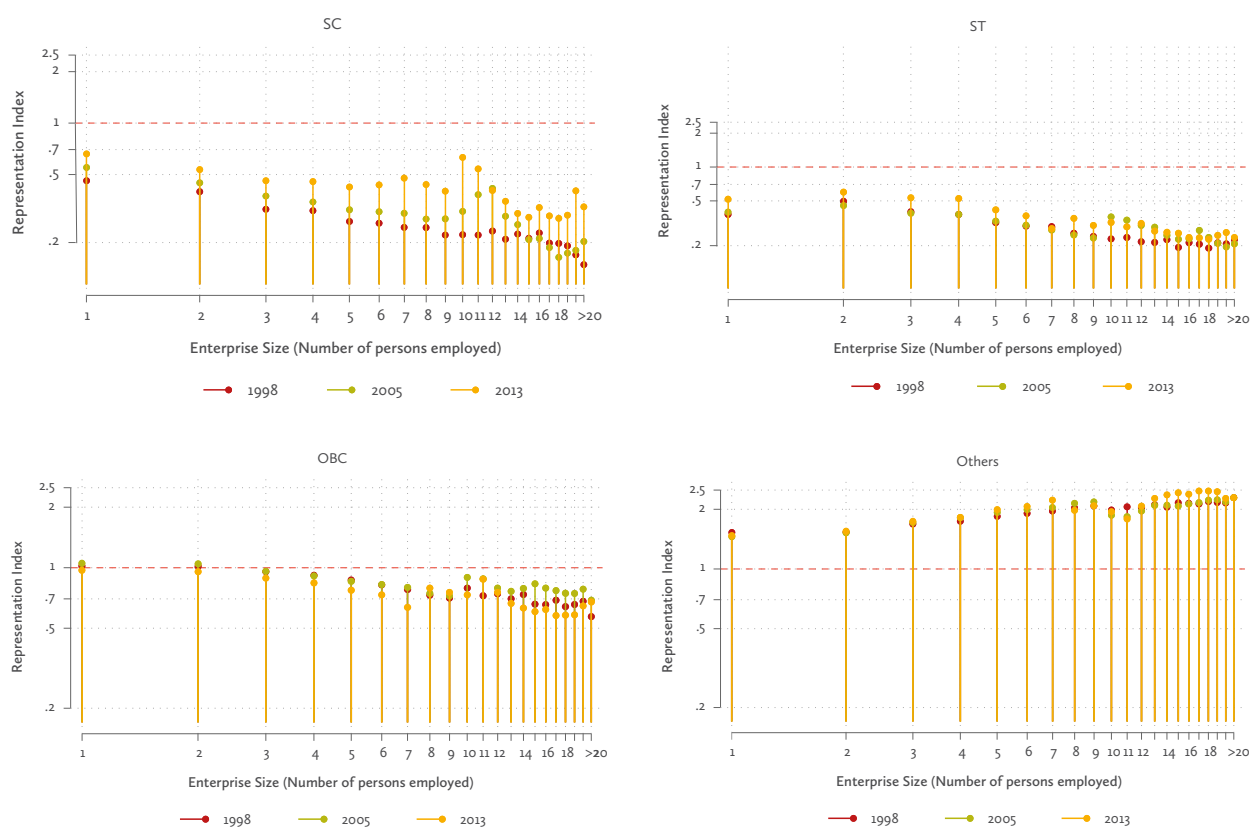
Source: 6th Economic Census, 2013. Both X and Y axis are shown in log terms for clarity.

Figure 6.13: Privileged castes are over-represented to a greater degree in larger enterprises



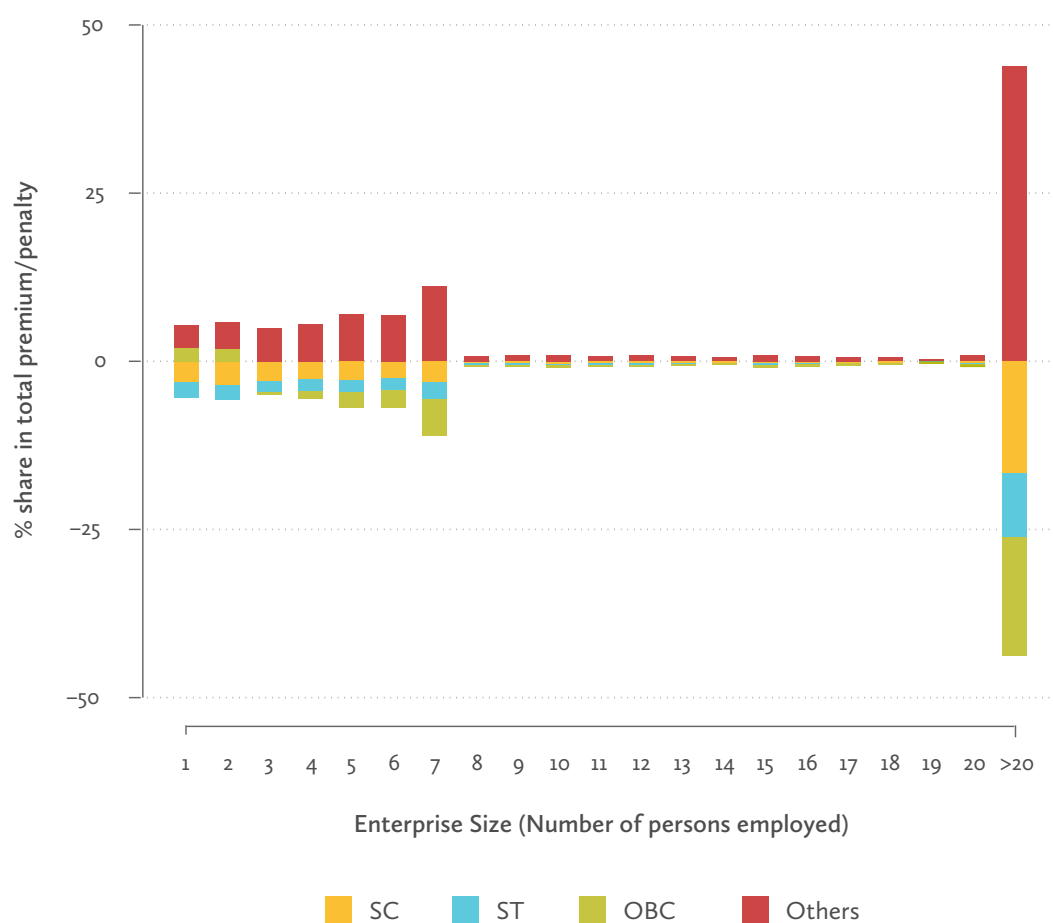
Source: 6th Economic Census, 2013. Both X and Y axis are shown in log terms for clarity.

Figure 6.14: Representation index for different social groups by enterprise size in 1998, 2005 and 2013



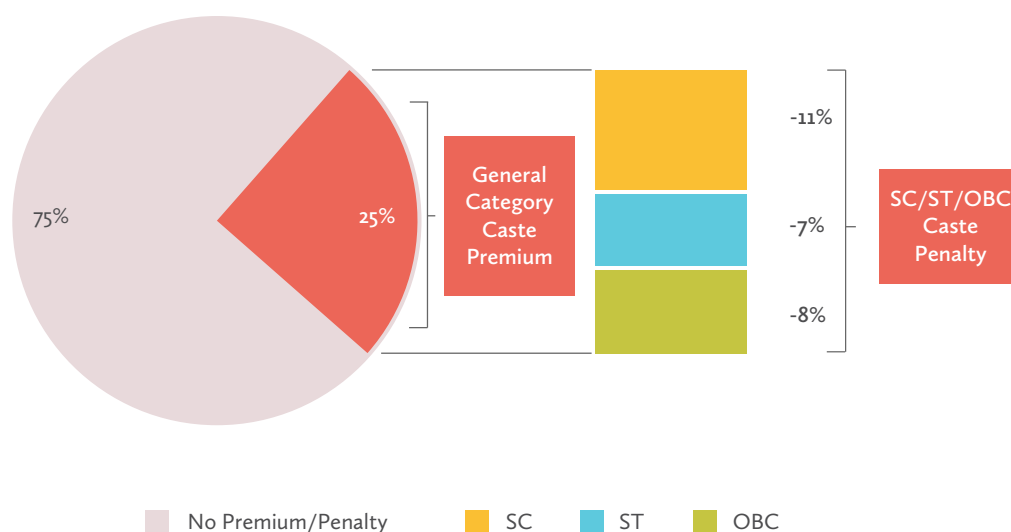
Source: Economic Census, various years. Both X and Y axis are shown in log terms for clarity.

Figure 6.15: Distribution of caste penalty/premium across different enterprise size in 2013



Source: Economic Census, EUS, ASI and NSS data. See text and Methods Appendix for details on calculation of the premium/penalty.

Figure 6.16: Caste premium/penalty as a share of proprietary manufacturing GVA



Source: Economic Census, EUS, ASI and NSS data. See text and Methods Appendix for details on calculation of the premium/penalty.

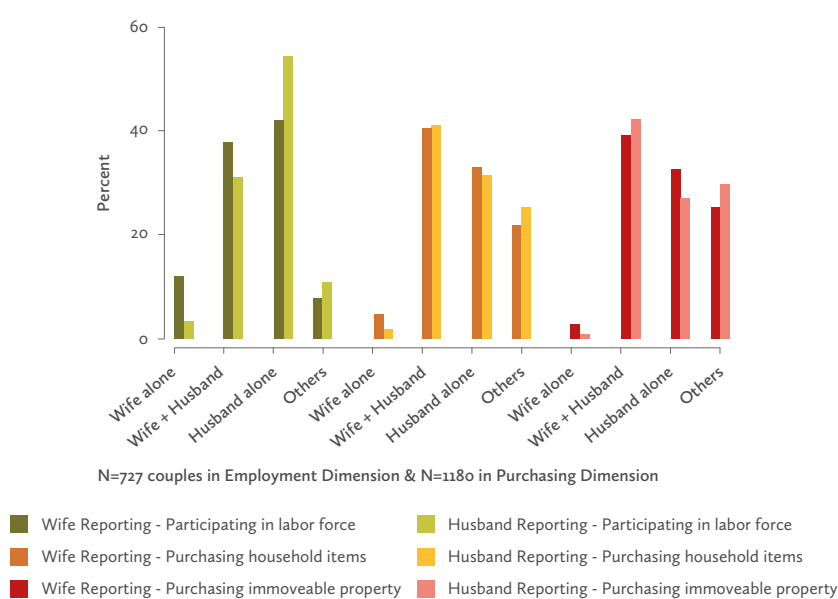
Figure 7.1: Conceptualisation of forms of work in 19th ICLS

<i>Intended destination of production</i>	<i>for own final use</i>		<i>for use by others</i>					
<i>Forms of work</i>	Own-use production work		Employment (work for pay or profit)	Unpaid trainee work	Other work activities	Volunteer work		
	of services	of goods				in market and non-market units	in households producing	
							goods	services
<i>Relation to 2008 SNA</i>	Activities within the SNA production boundary							
	Activities inside the SNA General production boundary							

Source: ILO (2013)

Box 7.3

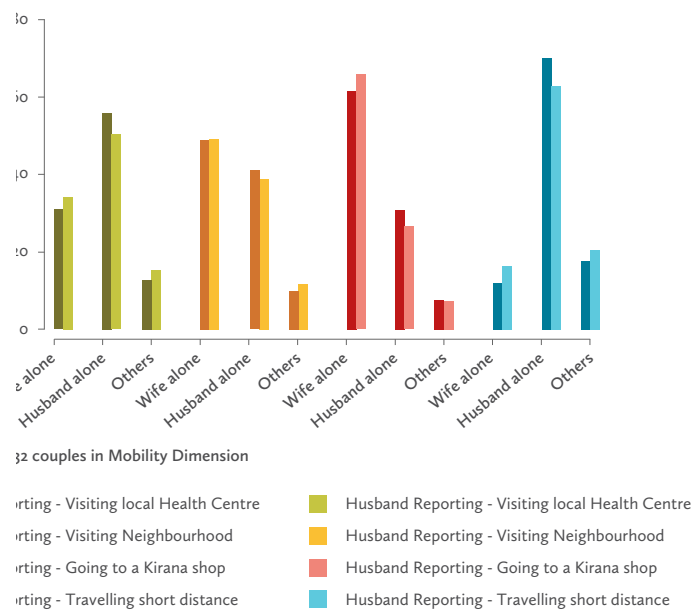
Figure 1: Comparing husband-wife responses on perceptions of decision making - Employment and purchase



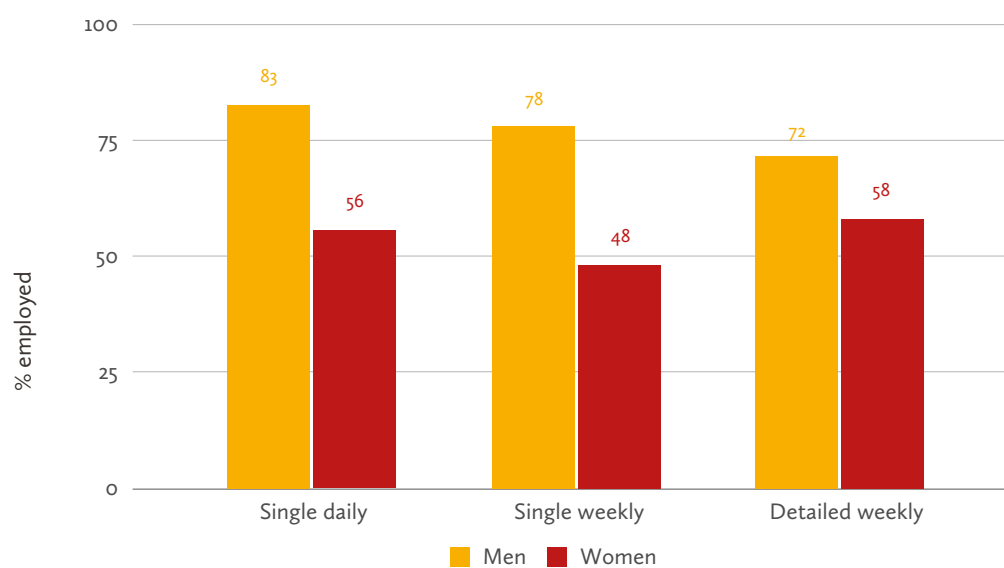
Sources and notes: India Working Survey (2020)

Box 7.3

Box Figure 2: Comparing husband-wife responses on perceptions of decision making - Mobility



Sources and notes: India Working Survey (2020)

Figure 7.2: Employment estimates from main and experiment surveys

Source: India Working Survey (2020).

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