

Labour & Development

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Editorial Introduction

Prioritising Labour and Employment in Post-COVID Revival

S.K. Sasikumar*

Driven by various mega trends – technological advancements, demographic transition, globalisation and climate change – the world of work has been experiencing massive transformations in the last two to three decades. This has led to a multitude of tendencies: the elimination of old jobs and emergence of new forms of employment, dominance of non-standard forms of employment relations, increased automation and the consequent substitution of capital for workers, changing skill sets in work processes, emergence of new business models (gig economy, etc.), decentralisation of economic activities, and so on. How will the future of work pan out and what strategies need to be put in place to seize the opportunities presented by these transformations? These have become dominant themes in public policy discourse related to labour. In fact, the International Labour Organization (ILO), the oldest international organisation, chose ‘future of work’ as the theme for its centenary celebrations in 2019. The ILO came out with a seminal report, *Work for a Brighter Future*, which deals comprehensively with the changes confronting the world of work and sets out ideas to manage and leverage these transformations (ILO, 2019).

In this crucial and evolving phase of the world of work, the outbreak and spread of COVID-19 heralds unprecedented challenges, particularly in terms of safeguarding jobs and incomes of the people. The available evidence clearly highlights that the pandemic has profoundly and adversely impacted lives, livelihoods and economic activities. The global economy has experienced a severe recession, worse even than the Great Depression of the 1930s (Gopinath, 2020). The impact on the world of work has been debilitating: workers all over the world are facing significant job losses, suspended employment relations and income loss; and many businesses, particularly micro and small enterprises, are facing unprecedented losses and are on the brink of collapse (ILO, 2020-2021). It is disturbing that the crisis has had disproportionate impacts on the labour market, with workers engaged in the informal economy, women workers and migrant workers reported to have borne more adversities (Abella and Sasikumar, 2020; Estupinan and Sharma, 2020; ILO, 2020-2021; Srivastava, 2020). The crisis, the biggest human catastrophe in decades, has in many ways also exposed the fault lines in the existing labour governance structures.

* Dr. S.K. Sasikumar, Senior Fellow, V.V. Giri National Labour Institute; email: sasikumarsk2@gmail.com

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Policy responses to the crisis from across the world have encompassed a host of measures – ranging from income support, wage subsidies and generation of additional jobs through public employment programmes to financial stimulus to businesses, and with huge fiscal commitments. These have certainly cushioned to some extent the adverse implications of the pandemic on livelihoods.

Nuanced understanding and analysis of the ongoing transformations in the world of work, on the one hand, and the ramifications of the COVID-related crisis in the labour and employment scenario, on the other, help us to identify some of the major pathways that may be navigated by the public policies related to labour in order to ensure a favourable and brighter future of work. It is also very obvious that we need collective action and proactive involvement of all concerned stakeholders, ranging from the government, employers and trade unions to researchers and civil society organisations, to respond to the challenges of change.

It is in this context that this issue of *Labour & Development* addresses some of the most pressing issues related to policy and research on labour and interrelated aspects, particularly in the context of emerging economies like India. The articles authored by some of the leading experts in the area of labour studies focus on aspects such as: overview of the economic and labour market impacts of the COVID-19 crisis; policy response to the crisis and the status of and challenges in employment recovery; welfare and protection of migrant labour (internal and international) and their families, especially during times of insecurity and instability, and adopting a migrant-centric policy discourse; strategies to ensure inclusion of disadvantaged sections such as informal sector workers, migrant workers and women workers who have borne the brunt of the adverse impacts of the COVID crisis; the nature of the relationship between urbanisation, migration and informal sector employment; challenges to the prospects of decent livelihoods for rural workers and envisioning a sustainable and appropriate world of work for rural labour; approaches that can positively impact women's ability to build skills and assets to make them employable and support them in their decisions to participate in paid employment; impact of the phenomenal growth and spread of information and communication technology on the economy and the world of work; and developing a robust social protection system, particularly to cover those in the informal economy.

How has the COVID-19 pandemic, which has caused an acute reduction in global economic activities, impacted the labour market? Sher Verick's article focuses on this, as well as the inequalities apparent between and within countries in this respect. It explores how, even as most governments responded to the crisis with macroeconomic policy support such as fiscal stimulus packages, including job retention schemes, to protect employers and workers, advanced countries have witnessed far better economic and labour market recovery than developing countries. This is attributed to both stronger policy support and better vaccination programmes (primarily the result of global vaccine inequities). It also points out

that within countries, already vulnerable categories of workers – women, youth, lower-skilled and unorganised workers – have been the most adversely affected in terms of employment. Verick argues that the inequalities in vaccinations and macroeconomic policy support need to be addressed to ensure a more equitable global recovery – taking along all countries – and policies should prioritise rebuilding of labour markets, preferably with more sustainable, inclusive contours.

There is a glaring lacuna in international migration discourse, as Binod Khadria points out: debates seldom centre the well-being of migrant workers and their families, especially under threat in crisis situations such as the COVID-19 pandemic. Analyses tend to prioritise the monetary and related aspects of migration in terms of the home and host economies, especially remittances. There have been prompt studies of the impact of the pandemic on remittances: India, the world's top remittance-receiving country, is projected to see a fall in remittances by 23 per cent from 2019 figures due to COVID-19. Khadria's article draws attention to the fact that, in contrast, there are hardly any studies on the migrant workers who generate these remittances: the social costs they bear as they seek to maximise their savings that are sent back home as remittances – costs that are higher during crises. Even Objective 19 of the UN's Global Compact for Migration does not concern itself with migrants' welfare as such but that of the countries involved. Khadria argues that this be modified to unequivocally incorporate the welfare of migrant labour and their families in crises such as the COVID-19 pandemic.

All workers, including those in the informal sector, have the right to social security. Ruma Ghosh's article addresses the linkages between social protection and informality. A country's social protection programme must seek to cover all groups of workers including the self-employed and other categories of informal workers. In India, where the large majority of the workforce is in the informal sector, it is vital to ensure informal workers have access to some form of social protection. However, as Ghosh points out, many of the country's informal workers are in "the missing middle" in terms of social protection: they are seldom part of contributory schemes, nor do they have access to social assistance, i.e. non-contributory social protection programmes. All categories of informal workers (and not only the poor workers supported by social assistance) must be covered by social insurance. To extend protection to informal workers in developing countries like India, the State needs to put in place universal social protection policies, including floors, which can augment human capital, mitigate poverty and inequality, and promote inclusive growth.

Praveen Jha and Manish Kumar's paper spotlights rural labour in contemporary India. Prospects of decent livelihoods in rural areas face challenges such as the persistence of the pernicious dominance of the caste system and newer ones triggered by the neoliberal macroeconomic policies in force since the 1990s. These have severely impacted availability of work, real wages, consumption and other

well-being indicators of rural labour. Jha and Kumar point to the high rates of disposability of rural labourers in the preceding two decades. They argue that drastic measures are required to improve the world of work in rural India: an overhaul of the policy framework, including breaking away from neoliberalism, and centring of agriculture while redesigning the policy architecture.

The women's employment scenario in India is a major cause of concern for policymakers: the country's falling Female Labour Force Participation Rate (FLFPR) curbs its growth potential. As Sakshi Khurana points out in her piece, FLFPR is also a vital indicator of the situation of women in India – their economic rights, access to assets, agency and decision-making in the public and personal spheres. Stronger participation of women in paid employment is also a critical factor in the achievement of social inclusion and Sustainable Development Goals. The article analyses the issues involved in women's labour force participation, including obstacles in their path to employment and how COVID-19 has exacerbated the situation. It also puts forward strategies and programme interventions for augmenting women's employment in India by building their capacity for employment and providing the required support to women deciding to join the workforce.

Arup Mitra explores the relationship between urbanisation, migration and informal sector employment in India. The article alludes to findings that rural migrants to urban areas tend to join the informal sector and that urbanisation has the potential to reduce both rural and urban poverty with its positive spill-over effects. Mitra examines the effects of the rapid growth of the services sector, which has almost superseded industry as the main employment provider in urban India. But the sector mostly offers informal employment that is low income, leading to a poor standard of living for many urban households. To make ends meet, a large percentage of urban households often compromise on basic amenities (making do without a toilet at home, and resorting to public latrines or open defecation) and cooking fuel (using wood or other environment-unfriendly means of cooking). Mitra asserts that this has resulted in conditions of environmental degradation and therefore low-grade, unsustainable urbanisation in India.

Benoy Peter and Liby Johnson's article presents strategies to improve the migrant experience at both the source and destination, based on learnings from a source-destination safe migration initiative by the Centre for Migration and Inclusive Development (CMID) and Gram Vikas in the Odisha-Kerala labour migration corridor. Among the strategies discussed by Peter and Johnson that apply to both source and destination are an ecosystem and gender-sensitive approach; public private partnerships; resource centres and helplines for migrants; delivery of services through mobile units; and improving access to finance. Interventions that are of value at the source involve the education of children; livelihood opportunities and the welfare of those staying behind. An inclusive local governance; focus on the areas where the migrant workers live; and increasing awareness in the receiving

society are among the measures discussed to boost the inclusion of migrants at the destination. The COVID-19 pandemic has not only adversely affected migration by restricting interstate travel, but also revealed the lack of capacity to handle the issues of migrant workers during crises. With its blend of strategies gleaned from the working of the CMID-Gram Vikas initiative, this article shows the way towards improving the conditions and experience of migrant workers in India.

One of the markers of our times is the phenomenal growth and spread of information and communication technology (ICT). Vinoj Abraham explores how ICT has impacted the economy and the world of work. The versatility and progressively falling costs of this technology have enabled it to rejig economies through the creation of new products and new processes of distribution, marketing, industrial organisation. The great promise of ICT is that of de-concentrating economies, and thereby ensuring fair distribution of income and a decent work life for the large section of the population. However, as Abraham points out, the opposite has happened: ICT seems to have aggravated the vulnerabilities and inequalities of the world of work. While job opportunities and wages (for some) have increased in India, the informal nature of this employment – mostly ‘gig work’ – has reinforced vulnerabilities, wage inequality has widened, and skill is getting unevenly distributed leading to further inequality. The capacity of ICT to distribute income equitably while driving higher levels of growth needs to be harnessed by the State through appropriate institutional mechanisms that provide regulation and incentivise the spread of its benefits to inaccessible and marginalised populations.

The evidence-based and nuanced analyses that mark the articles in this volume suggest contours towards operationalising innovative labour and employment policies that can act as catalysts for a stronger economic rebound – creating decent employment opportunities and building resilient, inclusive economies.

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The Labour Market Effects of the COVID-19 Crisis Over 2020-21: Uneven Impact Followed by an Unequal Recovery

Sher Verick*

Over 2020-21, the COVID-19 crisis metamorphized from a health pandemic into a severe labour market crisis due to the effects of lockdown and other containment measures, which curtailed economic activity around the world. In response, governments have sought to protect businesses and workers through often unprecedented macroeconomic policy support, especially the large fiscal stimulus packages. Specific measures were expanded or introduced to protect jobs, which came, most notably, in the form of job retention schemes. However, as the crisis has evolved, significant inequalities have emerged between and within countries. In the first case, labour markets in advanced economies have benefited from much greater policy support, leaving behind developing countries, a situation that has been further exacerbated by inequalities in the rollout of vaccinations. Within countries, the employment impact of the COVID-19 crisis has been much greater for women, youth, less-skilled and informal workers, reflecting the hard-hit sectors they work in and their overall vulnerability in the labour market. Labour market recovery has been much stronger for high-income economies but deficits remain, especially for the badly-affected groups. Securing a robust and inclusive recovery for all countries will require addressing the inequalities in vaccinations and macroeconomic policy support, while shifting measures to focus on policy priorities for rebuilding labour markets, including promoting a transition to a more sustainable and inclusive labour market.

Keywords: *COVID-19 Crisis, Labour Markets, Macroeconomic Policies, Employment Policies*

1. Introduction

The COVID-19 pandemic grew into a global crisis over the first months of 2020. In order to contain the spread of the virus, governments were forced to put in place measures that led to the lockdown of businesses, especially those operating in the services sector that relied on close contact (e.g., restaurants, bars, and hotels). Where possible, firms in other sectors have shifted to remote and telework arrangements, though this has been more pronounced in richer countries and in the case of more high-skilled jobs. Countries have also closed borders or limited the movement of people as a means to control the virus.

All these lockdown and other containment measures resulted in a deep economic and labour market shock, especially in the second quarter of 2020 when the strictest

* Dr. Sher Verick, Employment Specialist, International Labour Organization (ILO), Geneva.
E-mail: verick@ilo.org

workplaces measures were put in place. In April 2020, 41 per cent of the world's workers were subject to economy wide, required closures for all but essential workplaces (i.e., the strictest measures) (ILO, 2021a). Over 2020 and 2021, workplace closures remained in place but these evolved to become more targeted (by sector and location) so that by October 2021, less than 1 per cent of those employed were (directly) affected by these restrictions. However, despite these changes, lockdown measures continued to impact economic activity as evidenced by mobility patterns. Moreover, border and travel restrictions still constrain tourism and the movement of migrant workers, which have direct and indirect implications for labour markets (affecting both the demand for and supply of labour).

Overall, these measures translated into a massive demand and supply shock (alongside the considerable uncertainty that has remained during the entire crisis), which affected economies and labour markets around the world. Consequently, the global economy shrunk by 3.1 per cent in 2020, far exceeding the rate witnessed in 2009 during the global financial crisis (-0.1 per cent). Developing countries have suffered much more during the COVID-19 crisis than in 2009 stemming from the widespread use of lockdown measures. The ensuing labour market crisis has affected all countries: in 2020, working hours declined by 4.3 per cent (relative to the fourth quarter of 2019), while the employment-to-population ratio declined from 57.6 per cent in 2019 to 54.9 per cent in 2020.

Employment fell much more for women, youth and the less skilled, while informal workers experienced much steeper declines early in 2020 (based on available data). Rather than translating into a rise in unemployment as typically witnessed during an economic and financial crisis, the job losses have resulted in a greater increase in inactivity. This stems from the effects of the lockdown measures, which constrained job search and availability for jobs among the jobless (along with those entering the labour market, such as youth).

In response to this completely unexpected situation, governments around the world have extensively used macroeconomic policies to keep economies and labour markets from collapsing, along with specific measures that have aimed at protecting businesses and workers. Most countries have cut interest rates, including in developing economies, while fiscal stimulus packages have been implemented at an often-unprecedented level. In terms of the latter, additional spending and foregone revenue in advanced economies amounted to, on average, 11.7 per cent of 2020 GDP, while in emerging markets and developing countries this reached 5.7 per cent and just 3.2 per cent in low-income developing countries.

These differences in fiscal policy support have been a key source of the growing disparities between advanced and developing countries. This has been further compounded by the inequalities in the roll-out of the COVID-19 vaccination: at the end of 2021, the share of people fully vaccinated reached almost 70 per cent in high-income countries, while it stood at less than 5 per cent in low-income economies.

Moreover, rising debt levels and the lack of policy space are constraining many developing countries from maintaining policy support and investing in recovery. Overall, following a more robust rebound at the end of 2020, labour market recovery has stalled over 2021, which implies that much more needs to be done to ensure that countries, especially developing economies, can find the path to a more sustainable, job-rich and inclusive future.

Against this backdrop, the remainder of this paper is structured around the following sections: section 2 provides an overview of the economic and labour market impact of the COVID-19 crisis, while section 3 examines the policy response to the crisis and the status of and challenges to an employment recovery. Section 4 concludes.

2. The Economic and Labour Market Impact of the Crisis

2.1 Economic Trends

The COVID-19 pandemic resulted in a far deeper and widespread economic and labour market crisis than witnessed during the global financial crisis of 2008-9 (Verick et al., forthcoming). Due to the lockdown and other measures that curtailed economic activity, especially during the second quarter of 2020, the crisis deeply impacted growth in 2020 and further into 2021. Global output declined by 3.1 per cent in 2020. Advanced economies experienced a growth rate of - 4.5 per cent last year. Emerging markets and developing economies also experienced a sharp decline in 2020 (-2.1 per cent), which stands in contrast to the global financial crisis when these countries continued to grow in 2009 (2.8 per cent). This is a crucial feature of this crisis: even in economies that are less reliant on global markets and trade flows (the normal transmission channels), they have been impacted by lockdown and other containment measures, which have impacted all countries, including the poorest.

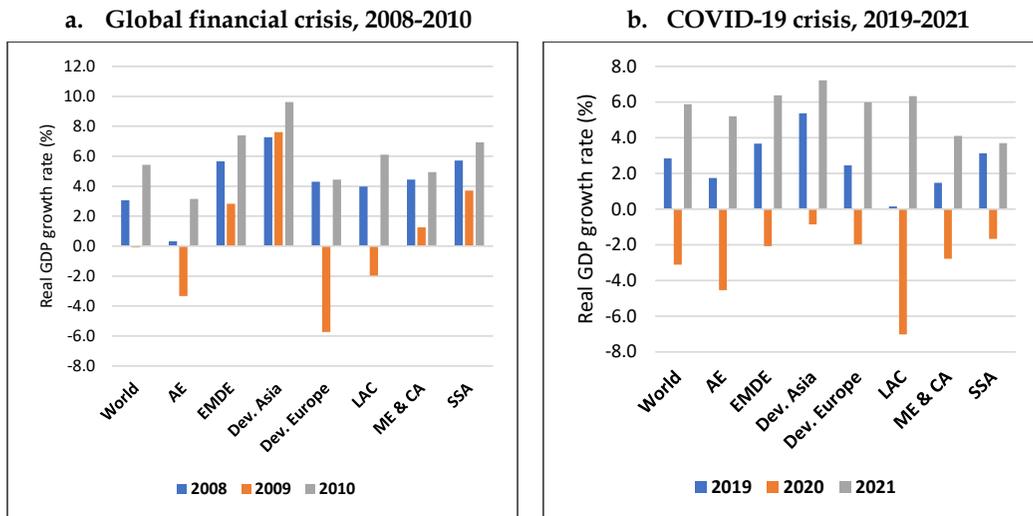
Economic growth declined in all regions, most notably in Latin America and the Caribbean and the Middle East and Central Asia (figure 1a and 1b), which registered GDP growth rates in 2020 of -7.0 and -2.8 per cent, respectively. In 2009, the only regions to experience a decline in economic growth were emerging and developing Europe¹ and Latin America and the Caribbean, along with advanced economies. Economic output in sub-Saharan Africa is estimated to have fallen by 1.7 per cent in 2020, which is even more severe once population growth is accounted for (GDP per capita contracted by 4.3 per cent). Such economic contractions in low- and middle-income countries is devastating for the poor. The World Bank estimates that the COVID-19 crisis led to an extra 97 million people falling into extreme

¹ Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Kosovo, Moldova, Montenegro, North Macedonia, Poland, Romania, Russia, Serbia, Turkey and Ukraine - see [World Economic Outlook Database October 2021 -- WEO Groups and Aggregates Information \(imf.org\)](#)

poverty (living on US\$1.90 per day or less) in 2020, reversing years of progress in poverty reduction.²

Figure 1

GDP Growth Rates during the Global Financial Crisis and the COVID-19 Crisis, Global and by Region



Source: IMF World Economic Outlook, October 2021 database; accessed 20 December 2021. AE = advanced economies; EMDE = emerging market and developing economies; Dev. Asia = developing Asia; Dev. Europe = developing Europe; LAC = Latin America and the Caribbean; ME & CA = Middle East and Central Asia; SSA = Sub-Saharan Africa. For definitions, see IMF World Economic Outlook.

A strong economic rebound has been estimated for 2021, though this still leaves many countries facing a large output gap. Based on data from the IMF’s World Economic Outlook (October 2021 database), gross domestic product (constant prices, domestic currency) was still lower in 2021 than the level in 2019 in 103 countries or 53.6 per cent of the sample of countries. This figure is much lower when adjusting for the population: the number of countries with a lower GDP per capita in 2021 than 2019 reached 135 or 69.9 per cent of the sample. The ongoing crisis and impact of the Omicron variant puts this at further risk, at least for the first quarter of 2022.

2.2 Labour Market Effects of the COVID-19 Crisis

The economic shock stemming from the lockdowns and other containment measures triggered a major disruption to labour markets around the world because of both the direct effect of closing workplaces and the indirect impact of reduced

² Source: Updated estimates of the impact of COVID-19 on global poverty: Turning the corner on the pandemic in 2021? (worldbank.org)

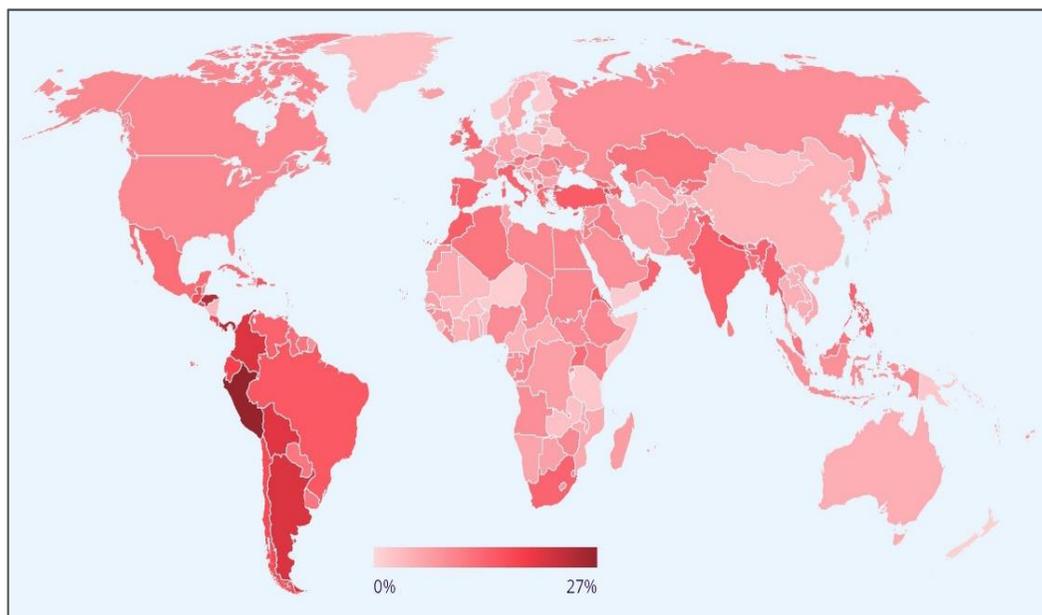
demand and supply-side constraints. As highlighted in the ILO Monitor series, the main indicator that captures the overall impact of the crisis on the labour market is hours worked, which reflects both the effects arising from external (i.e., job losses) and internal adjustment (i.e. reduction in hours worked for those who remain in employment).

Working-hour losses

ILO estimates indicate that working hours declined by 8.9 per cent in 2020 relative to the pre-crisis situation (fourth quarter in 2019), equivalent to the loss of 259 million full-time jobs.³ Given the truly global nature of the crisis, working-hour losses were evident in all regions but most notably in Latin America and the Caribbean (in line with the deeper GDP losses) and in some other developing regions, such as in Southern Africa and Southern Asia (figure 2a and b). The highest decline in working hours was, in fact, evident in middle-income countries, which had implemented had some of the strictest lockdown measures in 2020 but did not have sufficient policy responses to offset this impact (see section 3 below).

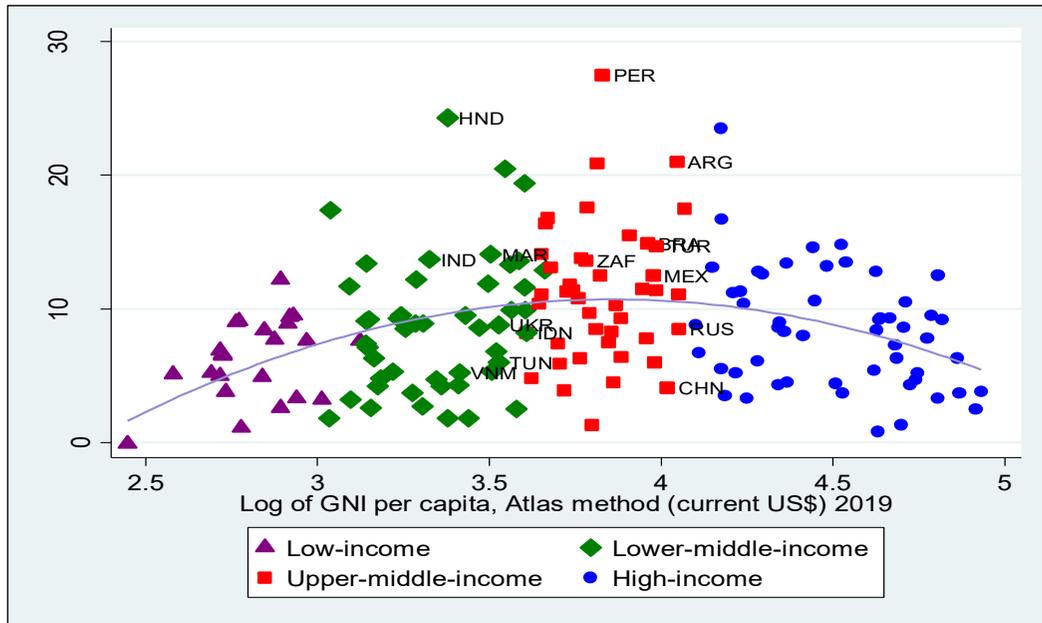
Figure 2
A Global Perspective on Working-hour Losses in 2020

- a. Working hours lost around the world in 2020 relative to the fourth quarter of 2019 (percentage)



³ See ILO's ILOSTAT database, ilo.ilstat.org.

b. Working-hour losses in 2020 across countries, by income level (percentage)



Source: ILO Modelled estimates, a. Working-hour losses (ILO modelled estimates) (%) – ILOSTAT database. b. GNI per capita, Atlas method (current US\$) – World Development Indicators database; accessed 11 Feb 2021.

How did working hours evolve over 2020 and 2021? The 2020 annual figures mask the adjustment process that took place in 2020. Following the trough of the second quarter of 2020, which was driven by the imposition of the strictest lockdown measures, there was a significant recovery in the third quarter of last year (figure 3). This continued into the last quarter of 2020 but then stalled in 2021. Overall, global recovery in working hours failed to materialize over 2021, which reflects that the emergence of new variants later in 2021, especially the delta variant that resulted in new restrictions on economic activity and hence, hours worked. The latest ILO estimates released in October 2021 (ILO, 2021a) suggest that global hours worked in 2021 was 4.3 per cent lower than the pre-crisis benchmark (fourth quarter of 2019), which represents the equivalent of 125 million full-time jobs. This estimate is significantly up from ILO’s June projection of 100 million (ILO, 2021b).

Uneven employment impact: disparities by gender, age, sector and informality

Working-hour losses is the pinnacle indicator of labour market best suited to provide an overarching picture of the impact on the COVID-19 crisis. However, it is important to look at a range of indicators to better understand both the effects of the crisis in 2020 and how labour markets have evolved over 2021. The key indicators in this regard are employment, unemployment and inactivity, along with sectoral and occupational trends. Disaggregation by gender and age is

Figure 3
Change in Global Working Hours Relative to the Fourth Quarter of 2019 (percentage)



Source: ILO modelled estimates, ILO Monitor, 8th Edition, and ILOSTAT database.

important due to the uneven impact of the crisis on the population, as witnessed in previous crises.

In terms of employment losses, ILO estimates indicate that global employment fell by 114 million in 2020 relative to the level in 2019, which can be translated into a decline in the employment-to-population ratio from 57.6 per cent in 2019 to 54.9 per cent in 2020 (ILO, 2021a). This aggregate picture masks the considerable disparities in the labour market as global employment fell more in 2020 for women, youth, and the less-skilled.

The pandemic caused catastrophic losses in employment for women in 2020 due to its impact on specific sectors and the most vulnerable forms of employment, where women are disproportionately represented.⁴ In addition, women were hit harder by the closure of schools and care facilities, which have acted as a further constraint to their participation in the labour market. In absolute numbers, globally, women lost 54 million jobs in 2020 whereas men lost 60 million. However, in percentage terms, jobs losses were larger for women, at 4.2 per cent compared to 3.0 per cent for men. Overall, women were disproportionately affected, accounting for 38.9 per cent of total employment before the COVID-19 crisis in 2019 but making up 47.6 per cent of employment losses in 2020.

⁴ Source: Policy brief: An uneven and gender-unequal COVID-19 recovery: Update on gender and employment trends 2021 (ilo.org)

Even starker is the disproportionate impact on youth who represented just 13 per cent of total employment in 2019 but made up 34.2 per cent of the 2020 decline in employment. Overall, in 2020, youth employment declined by 9.1 per cent compared with 2.6 per cent for adults aged 25 and above. While there is considerable variation across countries, the decline in employment among youth, especially young women, was far greater than among adults in the majority of countries (Table 1). The deepest declines were witnessed in middle-income countries, especially among young women. Based on available labour force survey data (a sample of 80 countries), the average decline in the employment-to-population ratio (EPR) in 2020 among young men and women was 7.9 and 9.3 per cent, respectively, while the ratio fell for adult men and women by 3.4 and 3.6, respectively.⁵ In middle-income countries, the mean change in the EPR in 2020 reached 11.4 per cent in the case of young women and 10.2 for young men, compared with growth rates of around -6 per cent for adult men and women.

Although job losses were more contained in high-income countries, the divergence between youths and adults was more pronounced. In high-income economies, employment amongst young women and men fell by around four times as much as they did amongst their adult counterparts. In middle-income countries, the employment losses amongst the young were around double those of adults. It is evident that the substantial income support and job retention measures put in place in most high-income countries tended to favour prime-age workers. All too often, young people did not qualify for such support being concentrated in less secure temporary and informal employment. As observed at the outset, gender gaps in youth labour markets have also become more pronounced.

Table 1
Change in Employment-to-population Ratios in Middle- and High-income Countries in 2020, by Gender and Age (% annual change)

		Young men (15-24)	Young women (15-24)	Adult men (25+)	Adult women (25+)
High-income	Mean (%)	-6.2	-7.6	-1.8	-1.7
	Median (%)	-6.1	-9.7	-1.4	-1.3
	No. countries	45	45	45	45
Middle-income	Mean (%)	-10.2	-11.4	-5.4	-6
	Median (%)	-11.3	-13.9	-4.4	-4.7

⁵ The growth rate is used to account for different starting points: for this reason, a comparison of percentage point differentials would be misleading since women's employment-to-population ratios started at a lower level. The employment-to-population ratio is used to account for changes in the population over this period (which is growing, especially in middle-income countries).

		Young men (15-24)	Young wom- en (15-24)	Adult men (25+)	Adult wom- en (25+)
	No. coun- tries	35	35	35	35
Total	Mean (%)	-7.9	-9.3	-3.4	-3.6
	Median (%)	-7.7	-10.8	-1.9	-1.7
	No. coun- tries	80	80	80	80

Source: Author's calculations; ILO's ILOSTAT database; accessed 21 December 2021.

Notes: Countries in this sample include 45 high-income and 35 middle-income economies: Argentina, Australia, Austria, Belgium, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Canada, Chile, Colombia, Costa Rica, Croatia, Cyprus, Czechia, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Finland, France, Georgia, Germany, Greece, Honduras, Hong Kong, China, Hungary, Iceland, India, Indonesia, The Islamic Republic of Iran, the Islamic Republic, Ireland, Israel, Italy, Jamaica, Japan, Korea, Republic of, Kosovo, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mauritius, Mexico, Moldova, Republic of, Montenegro, Netherlands, New Zealand, North Macedonia, Norway, Occupied Palestinian Territory, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russian Federation, Serbia, Seychelles, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, China, Thailand, Turkey, Ukraine, United States, Uruguay, and Viet Nam.

Major differences are also observed between sectors. Reflecting the substantial effects of lockdown measures on service sectors, global employment in accommodation and food services suffered the largest sectoral decline in 2020 (-9.4 per cent), while, in contrast, financial and insurance activities registered positive growth last year (1.5 per cent).

During crises induced by economic/financial shocks, a downturn typically results in the shedding of jobs in the formal sector owing to their exposure to a fall in demand, including through trade channels, and the effects of a credit crunch. Owing to its low entry costs, the informal sector often acts as an absorber of workers who have lost jobs in the formal sector (turning, for example, to street trading).⁶ In the context of household labour supply, job losses can result in an increase in the supply of women's labour to the informal economy in response to the layoff of a spouse. This is known as an "added-worker effect." For example, during the 1997 Asian Financial Crisis, informal sector employment increased in Indonesia as a household coping mechanism (Matsumoto and Verick, 2011).

In contrast, during the COVID-19 crisis, informal employment has been negatively impacted by lockdowns and other containment measures, which prevented informal enterprises and workers from engaging in economic activity. The ILO has found that one of the key reasons for the upward revision of working-hour losses in 2020 and the greater losses in developing countries is the higher share of informal employment in these economies (ILO, 2020a). Based on the analysis of

⁶ For a discussion on informality, see, for example, Jütting and de Laiglesia (2009).

data for 11 countries, on average, informal wage workers were three times more likely than those in formal employment to lose their jobs during the COVID-19 crisis (ILO, 2021b).

Where did the jobless go? Rising inactivity rather than unemployment

One of the key features of the COVID-19 crisis is the subsequent effects of employment losses. During financial and economic crises, these losses are typically mirrored in the increase in the unemployment rate as the jobless search for new employment opportunities to replace their lost jobs. New labour market entrants, especially youth, would join the ranks of the unemployed, competing for fewer job vacancies. However, during the COVID-19 crisis, the lockdown measures constrained this response in so far as that most employment losses translated into an increase in inactivity since most of those affected were not able to actively search for a job or be available for a job (two key criteria to be defined as unemployed in a labour force or similar survey) due to the limitations imposed by the lockdown requirements.

ILO estimates that the global employment loss of 114 million employment witnessed in 2020 translated into an increase in inactivity by 81 million, which led to a fall in the labour force participation rate by 2.2 percentage points in 2020 (down to 58.7 per cent) (ILO, 2021a). At the same time, global unemployment increased by a lower amount (33 million), though this still resulted in an increase in the unemployment rate by 1.1 percentage points to 6.5 per cent. The increase in inactivity rates, which reflected the impact of the lockdown measures on job search and availability to work, continued into 2021, especially in middle-income economies (ILO, 2021a).

As a result of the crisis, there is a persistent participation deficit resulting from both lower employment-to-population ratios (i.e., fewer jobs) and higher rates of inactivity (i.e., few people supplying their labour), which point to considerable labour underutilization in many countries, particularly middle-income economies. At the same time, there is evidence of labour shortages in some advanced economies, though this also reflects the very limited availability of data on job flows, which is restricted to these countries. In the United States, job openings reached a series peak in July 2021 (11.1 million, which is up from the 6.5 million openings in August 2020). The job opening rate in the US stood at 6.6 per cent in August 2021, up from 4.5 per cent in August 2019. In some European countries, which had tight labour markets before the crisis (e.g., Germany and Switzerland), labour shortages are also evident.⁷ However, for the EU27 as a whole, there is no strong evidence of shortages.

It should be remembered that the COVID-19 crisis has resulted in massive disruptions to labour markets around the world, which has led to significant imbalances and mismatches that continue to be shaped by the evolving pandemic

⁷ See, for example, Statistics | Eurostat (europa.eu).

and use of lockdown measures. The demand for and supply of labour have both been affected and should be considered in determining the causes behind mismatches between demand and supply. For example, on the supply side, health concerns and limited access to childcare, are impacting whether workers, especially women, are available and willing to apply for vacancies (i.e., rising reservation wages). Border closures, which have limited the movement of migrant workers, have also played a role in a number of countries.

3. Policy Response: Often Unprecedented but Enough?

During a typical economic and financial crisis, governments are forced to intervene to prevent longer-term damage to economies and labour markets, while responding to the source of the crisis (e.g., real estate bubble, financial collapse, debt burden, balance of payments crisis, etc.). In contrast to these crises, the COVID-19 pandemic started as a health crisis, which resulted in a massive economic shock that had repercussions for the labour market. Given the lack of experience with such pandemics (apart from those countries which had tackled SARS and MERS earlier), the situation has been characterized by a heightened level of uncertainty on both the evolution of the virus and the impact on the economy. For these reasons, policymakers have responded with unprecedented levels of support, along with regular tweaking of the policy stance in light of changing circumstances. The availability of data and the need for continual monitoring of not only the pandemic but also the economic and labour market impact have been key challenges for policymakers, particularly in developing countries.

3.1 The Immediate Crisis Response: Keeping Economies and Labour Markets Afloat

Since early 2020, countries have responded to the COVID-19 crisis through not only health measures but also policies to support the economy and labour market with the objective of protecting businesses and workers. The critical policy responses have been at the macroeconomic level: the massive stimulus to the economy through accommodative monetary policy and fiscal policy measures. The additional spending has financed both existing and new subsidies, most notably, the job retention schemes, which have supported businesses to keep workers in their jobs. Specific measures have also targeted hard-hit and priority sectors. All countries have utilized social protection transfers to support workers and households, with many cases of extensions and expansions of schemes to also include previously unprotected individuals, such as the self-employed and gig workers.

Unprecedented macroeconomic stimulus deployed in both advanced and developing economies

IMF estimates on fiscal measures during COVID-19 reveal that countries have responded with unprecedented levels of support.⁸ Additional spending and foregone revenue (also known as the “above-the-line” items) in advanced economies amounted to, on average, 11.7 per cent of 2020 GDP (Figure 4).⁹ In comparison, spending in emerging markets economies and low-income developing countries (the two categories used by the IMF to distinguish developing countries) has been considerable but still at often unprecedented levels. Average additional spending and foregone revenue in emerging markets and developing countries is estimated at 5.7 per cent of GDP, while in low-income developing countries the figure is considerably lower at 3.2 per cent of GDP. While there is a significant gap with advanced economies, driving diverging trends between countries, the use of fiscal stimulus in the COVID-19 crisis in developing countries represents a major departure from earlier crisis responses, which typically focused on fiscal austerity.

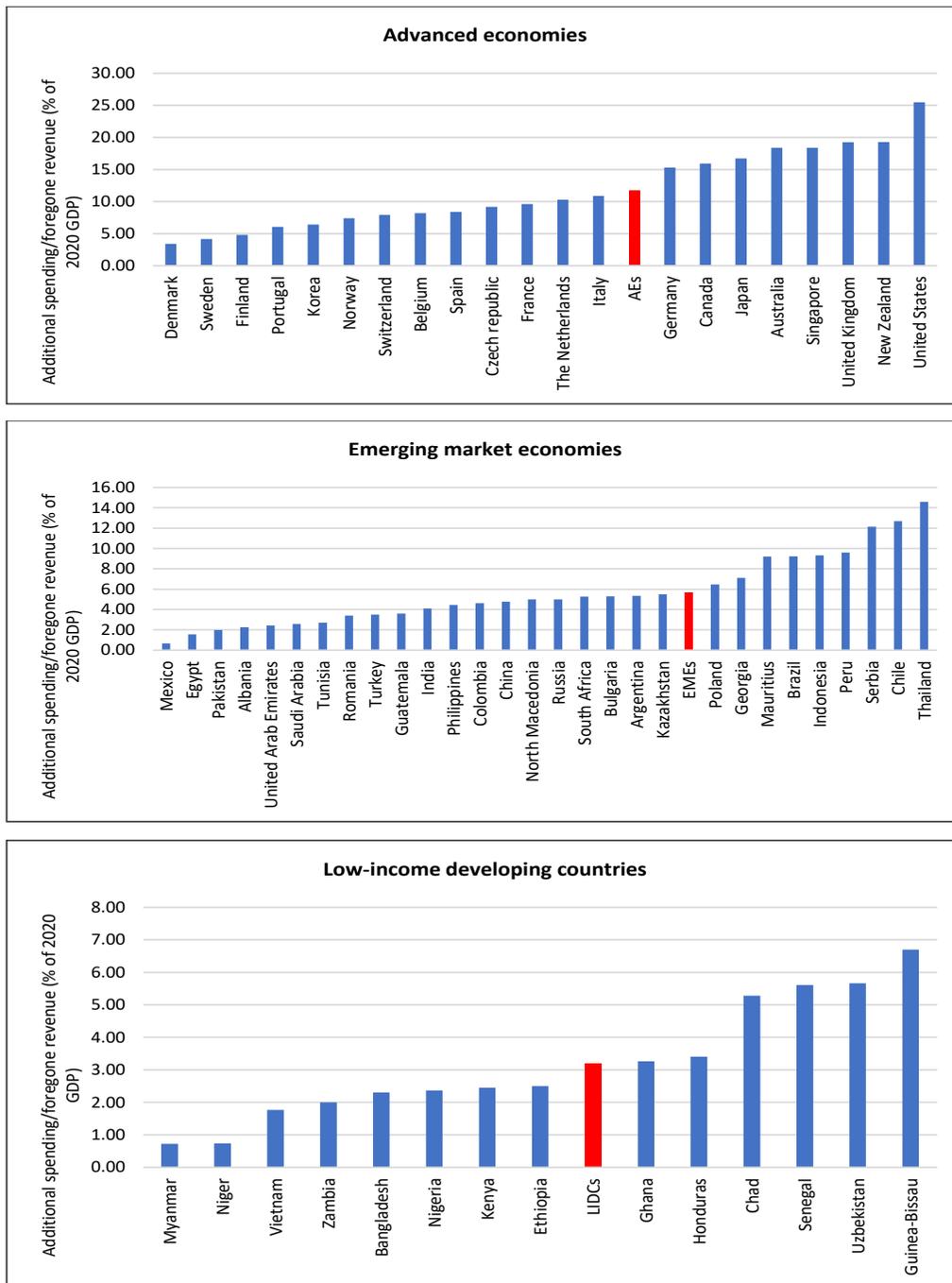
Reflecting differences in pandemic impact, policy priorities and fiscal space, there is considerable variation in additional spending and foregone revenue at the country level (Figure 4). In the United States, these measures have reached a massive 25.5 per cent of GDP, while additional spending and foregone revenue in Australia, Canada, Germany, Japan, New Zealand, Singapore and United Kingdom have all surpassed 15 per cent of GDP. On the other end, spending has been less than 5 per cent of GDP in some Scandinavian economies (Denmark, Sweden, and Finland).

A large set of middle-income countries have allocated more than 5 per cent of GDP to additional spending and foregone revenue, including South Africa (5.3 per cent), Brazil (9.2 per cent), Chile (12.7 per cent) and Thailand (14.6 per cent). In contrast, fiscal spending in Mexico, Egypt and Pakistan amounted to less than 2 per cent of GDP. In the set of low-income developing countries with data, a number have spent more than 5 per cent of GDP (Chad, Senegal, Uzbekistan and Guinea-Bissau) though others have allocated much less (e.g., Myanmar (0.7 per cent), Niger (0.7 per cent) and Viet Nam (1.8 per cent)).

⁸ Source: IMF Fiscal Monitor Database, October 2021 edition, [Fiscal Policies Database \(imf.org\)](https://www.imf.org/).

⁹ In addition to the additional spending and foregone revenue, governments have allocated significant resources to equity, loans, and guarantees (or the “below-the-line” items).

Figure 4
Additional Spending and Forgone Revenue in Response to the COVID-19 Pandemic in Selected Countries, by Income Level (per cent of 2020 GDP)



Source: IMF Fiscal Monitor Database, October 2021 version, accessed 22 December 2021, [Fiscal Policies Database \(imf.org\)](https://www.imf.org)

A similar picture emerges in the case of monetary policy. In contrast to previous crises, low- and middle-income countries have responded to the crisis by cutting monetary policy rates to stimulate the economy and prevent further collapse (Islam, forthcoming). According to the Bank of International Settlements, which collects data for 37 central banks, 31 countries had cut rates by the end of April 2020.¹⁰ 4 countries (Denmark, Japan, Sweden and Switzerland) and the Eurozone had already hit the lower bound (with negative rates in place before the pandemic in four of these countries). Hungary went on to cut its policy rate in June 2020. Drawing on a large sample of countries (more than 100 central banks), the average weighted policy rate in December 2021 was 5.49 per cent (Islam, forthcoming).¹¹ Along with policy rate cuts, a number of central banks in middle-income countries, such as India, Indonesia, South Africa and Turkey, have turned to unconventional monetary policy measures, including asset purchases (i.e., quantitative easing).

In response to recovery trends in some countries and the broader threat of higher inflation, some central banks have been responding by increasing policy rates again, particularly during November and December 2021. However, the majority of central banks maintain policy rates at record lows and are yet to increase them: in addition, even with the rising rates, the overall monetary policy stance remains highly accommodative in most countries apart from a few outliers, which are facing much tougher macroeconomic conditions (e.g., Argentina and Zimbabwe).

Job retention schemes have saved millions of jobs

Building on the policy lessons from the global financial crisis, many governments relied heavily on job retention schemes in 2020 to keep workers in jobs – these measures include both short-time work arrangements and wage subsidies. At the peak of the lockdowns in May 2020, these schemes were supporting 50 million workers in OECD countries, which is 10 times greater than during the global financial crisis (OECD, 2020). One of the most well-known programmes is the German *Kurzarbeit*, which successfully helped the manufacturing sector in Germany cope with the crisis in 2009. During the COVID-19 crisis, this scheme was simplified and extended (to temporary agency workers and in terms of duration, which is currently at 24 months). Consequently, the number of workers covered by the programme reached around 6.0 million in April 2020, up from under 45,000 the preceding year (and a peak of 1.4 million in 2009 during the global financial crisis). Estimates suggest that 750 thousand German workers were still supported by *Kurzarbeit* in September 2021.¹²

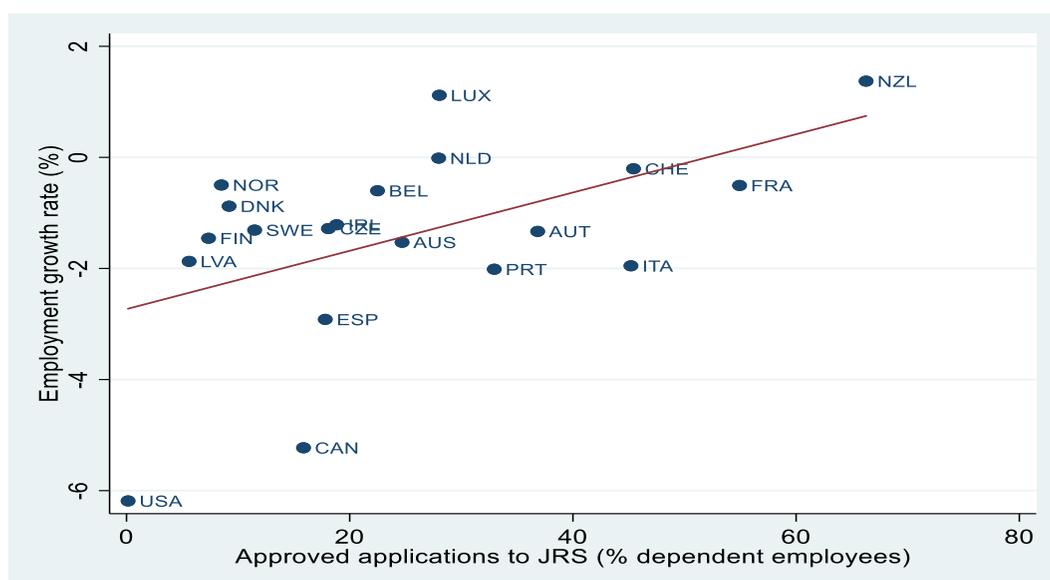
¹⁰ Source: Central bank policy rates (bis.org)

¹¹ Source: Central Bank News: Interest Rates

¹² Source: Federal Employment Agency, “Förderung der beruflichen Weiterbildung (FbW) -Deutschland, Länder und Regionaldirektionen (Monatszahlen)” database. https://statistik.arbeitsagentur.de/SiteGlobals/Forms/Suche/Einzelheftsuche_Formular.html?nn=20918&topic_f=teilnehmer-massnahmen-fbw.

Did the surge in these subsidies make a difference? ILO estimates for the European Union (27 countries) shows that working-hour losses reached 8.3 per cent in 2020 though employment fell by a much lower rate (-2 per cent)¹³, reflecting that labour market adjustment in these countries was largely achieved through a reduction in working hours, which was supported by job retention schemes. Turning to a sample of 20 OECD countries with data on these measures there is evidence of a positive and significant relationship between approved applications to job retention schemes as a share of dependent employees and the employment growth rate in 2020 (Figure 5).

Figure 5
The Relationship between Job Retention Schemes and Employment Growth Rate in 2020



Source: Verick et al., forthcoming.

The positive relationship is evident for countries, such as New Zealand, which did not have a scheme prior to the crisis. The United States of America is reflected at the other end of the spectrum. However, in the case of the US, workers who are temporarily laid off (i.e., furloughed) are counted as unemployed (on temporary layoff). In May 2020, there were 15.3 million American workers in this category, which has since fallen to 1.8 million a year later.¹⁴

Widespread use of social protection measures, including the targeting of vulnerable groups

All countries have responded to the COVID-19 crisis through social protection measures, including the extension and expansion of schemes, including efforts

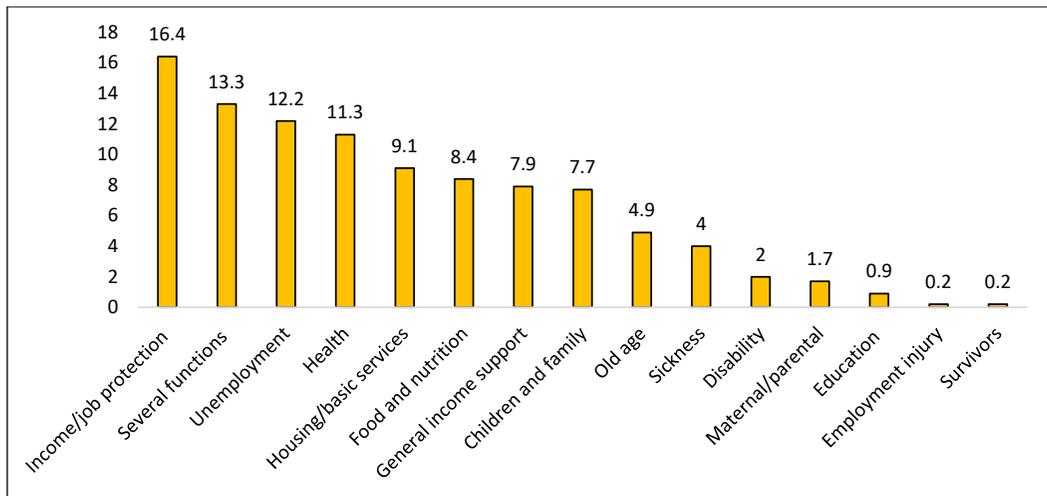
¹³ Source: ILOSTAT, ilo.ilo.org.

¹⁴ Source: U.S. Bureau of Labor Statistics. <https://www.bls.gov/web/empsit/cpseea11.htm>

to increase coverage and benefit levels, along with longer durations of payments. According to ILO's Social Protection Monitor, 209 countries have implemented 1713 measures during the crisis period.¹⁵ Of all the social protection measures, those specifically targeting the labour market (income/job protection and unemployment benefits) account for more than 28 per cent (Figure 6). Despite the strong role of such social protection measures, it should be noted that the vast majority of countries are far off attaining universal social protection as reflected in the SDGs (SDG target 1.3).

Figure 6

Social Protection Measures in Response to COVID-19: Share of Total (%)



Source: ILO Social Protection Monitor, accessed November 2021. ILO | Social Protection Platform (social-protection.org)

3.2 Promoting a Human-Centred Employment Recovery: Overcoming the Challenges of Vaccination, and Growing Debts

Due to further setbacks over 2021, the path to recovery has been uncertain and uneven between and within countries. As noted in section 2, a global labour market recovery has stalled, though the rebound has been much more robust in high-income economies. Two key factors are driving differences between advanced and developing countries: 1) lagging vaccination rates in developing (especially low-income) countries, and 2) the growing levels of debts that are constraining developing countries from further expansionary support and investment in recovery.

Vaccination inequalities between developing and advanced economies

Recovery from the COVID-19 crisis rests on the ability to control the health effects of the pandemic, which can only be achieved through high levels of vaccinations

¹⁵ See ILO Social Protection Monitor, ILO | Social Protection Platform (social-protection.org)

(beyond two doses) and the continuing use of health measures, such as wearing masks and social distancing (though the latter continues to represent a trade-off for governments between the health benefits and economic/employment costs, as highlighted above. As shown in ILO (2021a), a positive relationship between vaccination rates and labour market recovery was already evident in the first half of 2021. The ILO estimates show that for every 14 persons fully vaccinated in the second quarter of 2021, one full-time equivalent job was added (ILO, 2021a).

However, at the end of 2021, the vaccination rates have diverged substantially with high-income and upper-middle-income countries reaching around 70 per cent or more, while in lower-middle-income countries the share of the population fully vaccinated increased to almost 35 per cent as of 28 December 2021. The share of the population fully vaccinated in low-income countries (which are mostly in Africa) is, in contrast, abysmally low at just 4.1 per cent (Table 2).

Table 2
Share of the Population Fully Vaccinated Against COVID-19
as of 28 December 2021 (%)

Region	Share of the population fully vaccinated (%)
High-income countries	69.9
Upper-middle-income countries	72.3
Lower-middle-income countries	34.6
Low-income countries	4.1
World	48.9

Source: Official sources collected by [Our World in Data](#) as of 28 December 2021. The share of the population fully vaccinated against COVID-19 = total number of people who received all doses prescribed by the initial vaccination protocol, divided by the total population of the country.

Growing debts can be managed but will pose challenges in some developing economies

Responding to the COVID-19 crisis has resulted in large fiscal costs for all countries, which have been allocated to the necessary health measures, including testing and tracing, and now vaccinations, along with the fiscal stimulus packages and policy measures to ameliorate the impact of the lockdowns on the economy and labour market. In addition, government revenue has collapsed due to the fall in economic activity (and hence, tax receipts): the revenue-to-GDP ratio in emerging market economies fell the most, from 27.0 per cent in 2019 to 25.1 per cent in 2020, while it dropped from 14.9 to 14.1 per cent in low-income developing countries.¹⁶

¹⁶ Source: IMF Global Debt Database, https://www.imf.org/external/datamapper/GGR_G01_GDP_PT@FM/ADVEC/FM_EMG/FM_LIDC

Consequently, general government gross debt (as a ratio of GDP) has risen substantially around the world in 2020 due to increased spending and a decline in nominal GDP. Gross debt rose by more than 30 percentage points in advanced economies (relative to the average over 2001-19) and around 20 points in middle-income countries (Table 3). Although the increase in low-income economies was lower (from an average of 42.0 per cent over 2001-19 to 49.9 per cent in 2020), debt sustainability is a greater challenge in these countries, which will need further debt relief and support over the coming years, especially as debt ratios are expected to remain elevated for some years to come.

Table 3
Gross Debt Position (% GDP) by Region/income Classification, 2001-2025

Region	2001-2019	2020	2021-25
Advanced economies	89.5	122.7	119.6
Emerging market and middle-income economies	43.4	64.0	66.9
Low-income developing countries	42.0	49.9	49.1

Source: IMF Fiscal Monitor, October 2021, accessed through the IMF datamapper, https://www.imf.org/external/datamapper/G_XWDG_G01_GDP_PT@FM/ADVEC/FM_EMG/FM_LIDC.

4. Conclusion

Over 2020-21, the COVID-19 pandemic evolved into a truly global economic and labour market crisis that has affected all countries due to the effects of domestic lockdown measures and closure of borders, along with other restrictions on economic activity. In response, governments have acted decisively through often unprecedented macroeconomic policy support, especially the large fiscal stimulus packages, which have supported businesses and workers and their families. Specific measures were expanded or introduced to protect jobs, which came, most notably, in the form of job retention schemes. Overall, these measures have been used at a much higher scale than witnessed in previous crises (e.g., global financial crisis), especially in low- and middle-income economies.

However, as the crisis has evolved, significant inequalities have emerged both between and within countries. In the first case, labour markets in advanced economies have benefited from much greater policy support, leaving behind developing countries. This disparity has been further exacerbated by inequalities in the rollout of vaccinations. Within countries, the employment impact of the COVID-19 crisis has been much greater for women, youth, less-skilled and informal workers, reflecting the hard-hit sectors they work in and their overall vulnerability in the labour market. Labour market recovery has been much stronger for high-income economies but deficits remain, especially for badly-affected groups.

As the crisis enters approaches the third year, the focus needs to be on securing a robust and inclusive recovery for all countries, which will require addressing

the inequalities in vaccinations and macroeconomic policy support, while shifting measures to focus on policy priorities for rebuilding labour markets, including promoting a transition to a more sustainable and inclusive economy. This will require a substantial increase in financial and technical support to the poorest countries, which are facing the twin and related challenges of rolling out vaccinations and financing recovery efforts.

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COVID-19 and the GCM Objective-19: Trans-South Asian Diaspora Philanthropy for Internal and International Migrants in a Crisis

Binod Khadria*

1. Prologue: In Lieu of an Abstract and Key Words

Beginning in the 1990s, through the first two decades of the twenty-first century, the world witnessed increased international economic interdependence through ups and downs coexisting with steadily growing political barriers to global socio-economic integration between the Global North and the Global South. The UN's 2000-2015 Millennium Development Goals (MDGs) were a subtle testimony of this divide because they were primarily the responsibility of the developing countries of the Global South to devise and implement strategies for achieving the eight MDGs; the Global North developed countries were mere observers. This discrepancy was bridged in the subsequent global development agenda of the United Nations' 2015-2030 Sustainable Development Goals (SDGs) wherein the Global North countries were equal partners of the Global South developing countries bearing responsibility for implementation and achievement of the seventeen goals. However, the new 17 goals were by and large old wine in a new bottle in the sense that they were a reiteration of the 8 MDGs, dissected and elaborated further in greater detail. They had one more common feature; they both did not include international migration as a goal, which had been shunned historically by the countries considering it as an internal matter of sovereignty for most of them. There have been apologetic attempts to rationalize this exclusion by arguing that international migration was intrinsic in more than one of the 17 SDGs and their 169 targets. Following some isolated hue and cry which included my spontaneous reaction in the plenary address at the Metropolis International Conference at Mexico City in September 2015 that "first time it is tragedy; second time it's a farce", there were murmurs that snowballed in the wake of the Syrian Refugee crisis engulfing Europe. The UN eventually took notice of this disenchantment and organized a High-Level Dialogue on a large movement of people which then floated the proposal of launching two compacts, the Global Compact on Refugees (GCR) and the Global

* Dr. Binod Khadria, Former Professor of Economics, Jawaharlal Nehru University; President, Global Research Forum on Diaspora and Transnationalism (GRFDT). Email: bkhadria@gmail.com

Acknowledgment: I am grateful to Dr. S. K. Sasikumar, the Editor, for inviting me to contribute for this issue of the journal a paper based on my thoughts collated from some of my recent writings. This paper, revisiting some of my recent publications and a few older ones, all appropriately cited, is the result. This provided me with a challenging but satisfying opportunity to reflect upon frontier policy possibilities in the management and governance of migration for development in the context of the unprecedented global crisis of COVID-19 the world is currently faced it. I have also taken the liberty of beginning with a Prologue instead of providing an abstract and key words. The responsibility for any errors or omissions in the perspective or the analysis presented remains solely with me.

Compact for Safe, Orderly and Regular Migration (GCM). Overcoming the ups and downs posing hindrances to a global fusion of interests, the GCM took the efforts of three-year-long multilateral negotiations among the UN Member States to be adopted as an addendum to the 2015-2030 Sustainable Development Goals (SDGs) - a breakthrough achieved by UN's New York Declaration finally signed in Marrakesh, Morocco on 18th December 2018, the International Migrants Day. For the first time ever, GCM brought all the 193 Member States together on the table to debate, agree and even disagree. However, not quite, as a few countries led by the United States under the erstwhile President Donald Trump opting out even before it was signed withdrew after signing themselves in. It became clear from the beginning itself that GCM was not a binding agreement. Nevertheless, most countries agreed to take a break from the reason that unlike the cross-border movement of capital, goods and services, that of labour and people was a subject to be kept cocooned under the so-called individual sovereignty of nations. Unfortunately, as the process of launching the 23 objectives of GCM fully began¹, within less than a year, in November 2019, the world was struck by the coronavirus pandemic COVID-19, shifting the focus on enforcing social distancing with travel bans halting movement of all travellers and migrants under lockdowns imposed unilaterally by major countries guided by the WHO advisories. One unaddressed question that acquires primacy in this context is: What contribution could migrants themselves make under such dire circumstances they have been subjected to?

2. The Unasked Questions

For long, the contributions of the migrants and diasporas to development in their origin or home countries have been seen to be through three kinds of transfers – of Money, Merchandize and Man-hours (Khadria, 1999). Existing theoretical discourses deal with them as remittances of money, transfer of embodied technology, and return or visits back home of the expatriates enriched in human capital through experience gained abroad. Notwithstanding the fact that empirical data on remittances are available systematically² but not so much on the transfer of embodied technology and even less on return migration, I have argued in my earlier writings that the perceptions or appreciations of these contributions to “motherland” need to be balanced by the contribution migrants make to the destination or host countries. These, I argued, accrued by neutralizing their ageing population, giving them low-wage cost workers, and the latest vintages of knowledge embodied in migrant students as future workers (Khadria 2003, 2009a; 2012a).³ Because the countries have been wary to test and try these issues of a “trinity of dynamic conflicts”, what I have called - of Age, Wage and Vintage

¹ Khadria, Thakur et al (2019) provides the subregional and intra-subregional position statements of the UN member states of Asia.

² See World Bank sources: <https://www.worldbank.org/en/topic/labormarkets/brief/migration-and-remittances>. Visited on 27 Dec., 2021.

³ For gender differentials across knowledge and service workers in this conflict between India and the US labour markets due to the three premia, see Thakur and Khadria (2018).

- on the table of multilateral or bilateral negotiations, I vouched for a unilateral initiative by an emerging superpower of the ‘Asian Century’ like India or the South Asian countries of the Indian subcontinent together to offer what could become an example for other countries to emulate (Khadria, 2017).⁴ The presumptive question that would be asked here is: What kind of contributions could Indian or South Asian migrants or for that matter any other origin country or region offer to become the catalyst for the purpose.⁵

Among the 23 objectives of the GCM aimed at making migration “safe, orderly and regular” worldwide, Objective No. 19 is specifically to “create conditions for *migrants and diasporas* to fully contribute to sustainable development *in all countries*” (emphases added).⁶ In fact, this is the only objective that puts the onus on non-state actors viz., migrants and diasporas, the remaining twenty-two objectives being the responsibilities of member states and/or international organisations. This raises another subtle question: How migrants and diasporas are different from or related to each other? Without going into the original definition of diaspora here which is no longer confined to those without a homeland that the Jewish people were once identified with, it is important to mention the interrelationship between migrants and diasporas: It is *the flow* of migrants over time (usually for a minimum stay of one year by each individual) that leads to the creation of stocks of the expatriate population at a point in time and thereby the formation of a diaspora – comprising *the stock* of “foreign-born” residents naturalized as citizens of the host country, a subset of the globally mobile migrants. This takes us back to the forgotten basic question: Who is a migrant?

An *international migrant* is defined as one who resides in a country other than of birth for more than a year.⁷ An *internal migrant* is one who is either born or resides in a place other than that of enumeration within the country.⁸ I find these definitions somewhat too mechanical and short-sighted to account for the nuances of migrant identity formation. I believe that the lineage of a migrant’s identity ought to be traced back several generations to its origin in the past, and similarly tracked forward several generations into the future as well. This begs a further question: Who all in the population would have a connection to a migrant origin? The eligibility for the Overseas Citizenship of India (OCI)

⁴ For an inter-sub-regional comparison between two superpowers of Asia, viz. India in South Asia and China in East Asia, see Li, Bedford and Khadria (2019).

⁵ See, also McAuliffe, Kitimbo and Khadria (2019).

⁶ <https://www.migrationdataportal.org/global-compact-for-migration#19>. Visited on 27 Dec., 2021.

⁷ <https://refugeesmigrants.un.org/definitions>. See also, United Nations, 2012, Toolkit on International Migration, UNDESA https://www.un.org/en/development/desa/population/migration/publications/others/docs/toolkit_DESA_June%202012.pdf, p.2. Visited on 27 Dec 2021.

⁸ Internal migration involves moving from one region of a country to a different region in the same country. The main type has been from rural to urban areas comprising interregional and intraregional movements.

Card for imparting the identity of “person of Indian origin” (PIO) to a foreigner is linked to three generations backward with a parent, grandparent, or great-grandparent Indian citizen (GOI, Bureau of Immigration 2020). Similarly, it promises the same eligibility to the next three generations of an Indian citizen forward as well – to the actual and potential future foreigners among the national Gen-X, Gen-Y, Gen-Z, i.e., to the children, grandchildren and great-grandchildren of an Indian citizen. This mirrors societal positioning in terms of families, in which one’s affinities typically span three generations into the past as well as three generations into the future in the family tree. Keeping one’s own present generation in the middle, this perhaps is the rationale for references often made to seven generations - like *saat janam, or saat pidhi* - in India and several other cultures too around the world.⁹ I suggest that the same norm as of the OCI be applied to define an internal migrant whose six generations – three of predecessors and three of successors - have a connection of origin or roots in a different state, district, block and village. This would have multiple ramifications in terms of countering the parochialism connected with many divisive movements like of “sons of the soil” of a particular state or province, leading to varying degrees of ethnic hostility towards the so-called “outsider” students, workers, professionals and spouses, even children who are citizens of the same country (Weiner, 1978).¹⁰ This parochialism has raised its head intermittently as part of public movements created or supported by different political groups either in seats of power or in the opposition. It became starkly evident in the administrative measures taken by the state governments at the onset of lockdown imposed by the central government as a measure to minimize the spread of COVID-19 infection in India.

⁹ In Hinduism, in the *Puranas* and the *Atharvaveda*, there are seven higher worlds above (*Vyahrtis*, viz. *bhu, bhuvaa, svar, mahas, janas, tapas, and satya*) and seven lower ones below at the bottom (*Patalas*, viz. *atala, vitala, sutala, rasatala, talatala, mahatala, patala and naraka*). Hindus also take seven vows in solemnizing the marriage. In Christianity, in the Old Testament the world was created in six days and God rested on the seventh, creating the basis of the seven-day-week we use to this day. In the New Testament the number seven symbolizes the unity of the four corners of the Earth with the Holy Trinity –the Father, the Son and the Holy Spirit (or the Holy Ghost). The number seven is also featured in the Book of Revelation (seven churches, seven angels, seven seals, seven trumpets, and seven stars). The Koran speaks of seven heavens and Muslim pilgrims walk around the Kaaba in Mecca (Islam’s most sacred site) seven times, and in Buddhism the newborn Buddha rises and takes seven steps (<https://www.psychologytoday.com/us/blog/the-squeaky-wheel/201506/seven-reasons-we-are-captivated-the-number-seven>). Visited on 29 Dec., 2021. Interestingly, Marilyn Monroe, the well-known American film star of the nineteen fifties, acquired her iconic image in the much talked about film “The Seven Year’s Itch”, based on a popular belief about the psychology of marital relationship (https://en.wikipedia.org/wiki/The_Seven_Year_Itch). Then there are the “seven wonders of the world” belonging to different periods of times (https://en.wikipedia.org/wiki/Wonders_of_the_World).

¹⁰ In the wake of the COVID-19 triggered unemployment, at least one state announced reservation of jobs for locals to the extent of 75% and others are gearing up to follow suit but for the ensuing elections.

This “outsiders” notion raises a question about the border that separates them from “insiders”. Common imagery invoked by the term “border” is India’s external boundary with the neighbouring countries, even though there are borders separating the adjacent Indian states. The COVID-19 lockdown has brought these internal borders into greater prominence. In some cases, states seemingly behaved like independent countries - sealing borders and stopping citizen migrants from crossing them, their fundamental rights of freedom to move and reside or settle in any part of the country under Article 19 of the Constitution of India being superseded by the emergency powers vested in the state government(s) under the Epidemic Diseases Act 1897. Several media reports suggest that some states sealed borders not only for entry but also for the exit of migrants to ensure continued supply of labour immediately after the lockdown ended and the economy needed to restart. If this is going to be the new normal of a post-COVID-19 world order where states assumed sovereign or near-sovereign powers to monitor and control internal migration, I would wish that states are also empowered to protect and strengthen the functioning of India’s multi-level federalism starting from the lowest level upwards, empowering the entities of village panchayats, the town municipalities, and the blocks and district administrations (Khadria, 2020d).

3. Internal Migrants in Perennial Retrospect

Talking about internal migrants in India, however, data are grossly inadequate in shedding light on contributions migrants make to the economy and society, including remittances sent back home in the villages. Census after census, there is no new information on internal migration other than the stereotypically classified “causes of migration” – highest due to marriage for women and employment for men. There is no scope to include external shocks like the COVID-19 pandemic as a cause of migration or return; not to speak of a lesser crisis like “natural calamity” that was included in the causes of migration in the 1981 Census of India but replaced since 2001, by a cause termed as “moved at birth”. Even availability in the public domain of whatever data is collected is grossly delayed. By the time they can be used they are significantly outdated, necessitating a proverbial time machine so to say, to go back to the preceding decade for any relevant evidence-based policy interventions. For example, migration scholars and demographers have until recently depended on 2001 Census data for research in retrospection. Even data from Census 2011 are yet to become fully available while it has been already time for Census 2021.

Despite being part of the most important stakeholder in spatial human movements, internal migrants in India have remained in the shadows in migration policies blinded by the focus on illegal immigrants from neighbouring countries - Bangladesh, Bhutan, Nepal, Sri Lanka, Pakistan, and Afghanistan on the one hand,

and increasingly on the Indian diaspora abroad on the other (Khadria and Kumar 2015; Khadria, 2020c). In the wake of the COVID-19 pandemic, India launched a massive evacuation, the *Vande Bharat* mission by the national carrier Air India, and successfully repatriated thousands of Indians stranded abroad in different countries. But what about the internal migrants dislocated in many parts and states within India – particularly those in the large informal labour markets of construction, domestic work and scores of other activities? Redress of their plight in escaping from cities to their native homes in villages was first overlooked and then delayed, turning this “reverse” migration into an item of news and inter-state partisan politics (Khadria 2020a). It has reset many questions for the post-Covid-19 world order to find new answers.

4. Beyond “Homeland Development”

Having reflected on migrants (both international and internal) and diasporas and argued for them to be put in one holistic category for policy and research by posing some questions, it is in the realm of a unilateral initiative by any single country in making migrants contribute that I would now draw upon what I have proposed elsewhere as the dynamics of a fourth interest. This fourth interest is not of conflict or competition between the origin and destination countries or across states within a country, but of mutual bonding – that of Humanitarian Philanthropy by the Diaspora¹¹, i.e., one-way giving without any quid pro quo or without expecting anything in return (Khadria, 2019a, 2019b). I have conceptualized this as a tool for actualizing what I have often proposed as the Inter-Diaspora Cooperation (IDC) for sustainable development beyond the obsession with “homeland development” - a Third-Country Development (TCD) Model through South-South Cooperation based on the age-old Indian philosophy of “Vasudhaiva Kutumbakam”¹² - the whole world is one family, the spirit of true globalization across all countries. In this, I argued that there would be new horizons for the GCM to propagate learning of lessons from each other’s traditions and practices of “giving” across the Indian sub-continent subsuming most of South Asia. In the current context of origin countries’ obsession with “Diaspora for Homeland Development” on the one hand and the ever-tightening border controls of the exclusionist policies of destination countries against the migrants (and diasporas), it is important to address the question of whether countries can look forward to engagement of their diasporas beyond their “motherlands”.

¹¹ Now a days the term Diaspora is also used for an inter-state migrant stock forming state-based or language-based “homeland association”, e.g., the Assam Association Delhi (AAD), which has existed since 1967, with the genesis going back to “Assam Sangh” in 1947. <http://assamassociationdelhi.org/index/historical-background/> Visited on 30 Dec 2021.

¹² This verse of Maha Upanishad in Sanskrit is engraved in the entrance hall of the parliament of India. See Shah and Ramamoorthy (2014, p.449).

In this context, I visualized a trans-South Asian diaspora, involving India's 18 million to 32 million-strong Indian diaspora (18 million PIOs, the Persons of Indian Origin but citizens of other countries, which is the largest in the world by the 2020 UN estimate¹³ and the Indian government estimate putting it over 32 million by incorporating the NRIs, the non-resident Indian citizens abroad¹⁴) and, in addition, those of the other seven South Asian countries – Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, and Sri Lanka.¹⁵ To draw upon their commonalities and consolidate them into one single determining or independent variable, I have taken a subset of these South Asian diasporas, i.e., the citizens of one or more of the eight countries of South Asia, who subsequently moved and settled abroad, e.g., in the United States of America as Legal Permanent Residents (LPR, or the "Green Cardholders") or Naturalized American Citizens.¹⁶ I have called them the "Trans-South Asian Diaspora in the US".

¹³ United Nations, 2020. <https://www.un.org/en/desa/international-migration-2020-highlights>. Visited on 28 Dec 2021.

¹⁴ The Indian government count had started with the setting up by the Indian Parliament in 1998, under the Atal Bihari Vajpayee government, a High-level Committee on the Indian Diaspora, which submitted its report in 2001: ICWA (2001). It counted the Indian Diaspora at 20 million at the turn of the century, and 10 per cent of that (2 million) in the United States. Historically, a complex trajectory of emigration has been said to have produced "a diverse and dynamic tapestry in the Indian diaspora. The migrating communities have been defined by a strong sense of ethnic pluralism ...because they were drawn from across the Indian subcontinent" that subsumed most of South Asia. As for the spread of the Indian diaspora, *The Encyclopedia of the Indian Diaspora* (Brij Lal et al, 2006) says, "[It is] the name given to the complex array of rituals, mythologies, festivals, and customs recognized and practiced by a majority of inhabitants of India, and has long historical roots there..." In the United States, Indians called the Hindoos were a minority (PEW Research Center: pewresearchcenter.org) One of the first major discussions about their tradition of belief in philanthropy was Swami Vivekananda's celebrated address to the World Parliament of Religions in Chicago in 1893. Significantly, it was soon after in 1897, on his way back from the United States, that Vivekananda emphasized the centrality of what he called "believing young men" in his "My Plan of Campaign" address at Victoria Public Hall, Madras on 9th February: "Men, men – these are wanted: everything else will be ready; but strong, vigorous, believing young men, sincere to the backbone, are wanted. A hundred such and the world becomes revolutionized" (Khadria, 2021). To extrapolate this lesser-known address in the present context, "believing young men" among the Indian Diaspora – those men (and women) who believed in the tradition of giving, i.e., philanthropy - would be the torch bearing "human capital" for a particular cause – that of achieving sustainable development through "safe, orderly and regular" migration propagated by the GCM. This sets a challenge of inclusive humanitarian philanthropy of the diaspora for a hinterland country in South Asia like India, Nepal, Sri Lanka, Bangladesh, Pakistan, Afghanistan and so on: To convince one's own diaspora community to rethink the development through humanitarian philanthropy as a "bottom up" approach for enhancement of sustainable productivities of labour through development of education and health.

¹⁵ See, also Khadria and Mishra (2021a). However, Iran may not be taken into account because even if it is considered part of South Asia by the United Nations, culturally it is akin to the Middle east or West-Asia.

¹⁶ United States Census Bureau (2017) arranged the South Asian diasporas living in the USA according to their 2017 population estimates as follows: Indian (4,402,362); Pakistani (544,640); Bangladeshi (185,622); Nepalese (182,385); Sri Lankan (52,448); Bhutanese (26,845). Afghan and Maldivian numbers are not available. Further breakdowns are also available.

5. Reemergence of the Brain Drain

In the wake of the current COVID crisis, in April 2020, two of the world's largest democracies independently executed one legal order each that would have a profound impact on the present as well as the post-COVID era mobility of high-skilled human capital. In India, the President signed an Ordinance to amend the 123 year-old Epidemic Diseases Act and to mandate deterrent punishment for anyone causing physical harm to healthcare workers. Triggered by incidents of grievous attacks on healthcare workers enforcing social distancing and other COVID-19 safety protocols in several parts of the country, this ordinance legalized punishment with a penalty between Rupees 50 thousand and 5 lakh along with non-bailable imprisonment from 6 months up to 7 years. In the United States, the President, as authorized under Section 212(f) of the 1952 Immigration and Nationality Act, signed an Executive Order to block the "entry" of categories of people deemed "detrimental" to current US interests. To protect American citizens from foreign competition for domestic jobs, the US order thus banned (for an initial period of 60 days) the filing and processing of new green card applications for immigrating as legal permanent residents. Whereas the Indian ordinance supported Sustainable Development Goal (SDG) 3: "Ensure healthy lives and promote well-being for all at all ages", the US order prioritized SDG 8: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". Notably, the US order exempted doctors, nurses, researchers and other healthcare workers, and their dependents. These Human Resources for Health (HRH, in the World Health Organisation - WHO terminology) labouring to save human lives in the pandemic were the common beneficiaries – of assured safety to their life and property in India, and access to unrestricted entry and stay for health-sector employment in the US - both akin to prioritizing SDG 3 (Khadria, 2020b). As a major source country of migrant workers in the global south, India has for long been the supplier of a large workforce of medical professionals, students and trainees. As the largest destination country in the global north, the US receives migrants from all over the world, many of them HRH professionals. With their promulgation as the two major players in the international migration paradigm, these legislations highlighted the hard reality of global imbalance in the supply of skilled professionals, particularly in times of crisis like a pandemic.

There are many long-standing factors behind this imbalance, such as the limited number of educational and training institutions, long gestation periods to create competencies like digital literacy for a high-tech society, and a shift in occupational hierarchies and career choices that favour corporate managerial jobs over HRH professions (Majumdar, 1991). Another important reason that has evolved to become a major cause of this disparity between the "knowledge workers" and "service workers" is the growing segregation of factor-utilization from factor-endowment of precious human capital (Khadria, 1999, 2003). The

“brain drain” of the knowledge workers used to be discussed and debated more prominently until the late 1990s but was subsequently replaced with a neutralizing “brain gain” argument that was driven by the forces of 21st-century globalization, such as enhanced global mobility, compensatory remittances to source countries and a new focus on return migration. Return migration was originally projected to benefit source countries, but the dominant effect was to allow destination countries to replace older migrant workers with younger generations and those educated in newer vintages of knowledge and skills. Now, in the wake of the COVID-19, I suspect brain drain to re-emerge as an important conflict of interest between source and recipient countries, particularly in STEM fields (Science, Technology, Engineering and Mathematics) that include HRH. Some people would argue that, sooner or later, potent COVID-19 vaccines and pills would enable life to return to normalcy. Others suggest that even with the vaccine and pills, life is bound to move to a “new normal”. Nevertheless, given the ensuing economic downturn the world over involving large-scale job losses, there would be a significant paradigm shift calling for fresh thinking on sharing scarce resources among countries and regions (Khadria, Thakur and Mishra, 2022). If individual countries or regions are left to themselves to introduce changes without global cohesion and coordination, there would be a high probability for conflicts of interest to resurface with renewed strength. The question then is: How to pre-empt such an escalation in this “talent war”, and stem the brain drain?

While it may be too early to project changes in long-term trends in flows and stocks of international migration, a temporary reduction in cross-border mobility in the short-to-medium term is certainly expected. New restrictions on travel, entry and stay imposed by countries, and fear, cost and uncertainty amongst migrants and their families could trigger greater selectivity of their specialization, nationality, gender and overall numbers in future migration policies. In the shortest run, this would skim the frontline HRH, primarily doctors and nurses required for life-saving curative interventions, i.e., to conserve human capital.¹⁷ But very soon it would be logical to expect that young professionals in the entire domain of STEM fields will be in higher demand across the borders, particularly those connected with preventive medical research and contributing to building medical infrastructure.

Ironically, because STEM professionals require the longest duration of time to be educated and trained, the number of international students in these fields would also swell (Khadria and Mishra, 2021b). In addition, such demand would pose acute challenges for gaps in the health sector and care systems of countries of origin when they need them most (Khadria, 2012b, Potnuru and Khadria, 2018). One vital question to be asked here would be: Can this brain drain be offset through sharing of STEM professionals and students among countries?

¹⁷ See, Khadria and Tokas (2022) and Walton-Roberts and Khadria (2022).

6. STEM Migrants as the Sixth Global Common

Competition to recruit international students in STEM fields has led to a talent war among the destination countries e.g., through the “education fairs”, which will undoubtedly cause long-term brain drain of future workers. One resource-sharing strategy would be to declare them a sixth “global common” (others being the High Oceans, Atmosphere, Outer Space, Antarctica and the Internet) that all countries have equal rights to use. This would eventually replace the trinity of conflicts between countries – that of “Age, Wage and Vintage” – i.e. to acquire migrants who possess the advantages of younger age, lower wages bill (pay, perks, pension) and latest vintage of knowledge, eventually turning them into tools of global complementarities, cooperation and partnership for global welfare (Khadria, 2003, 2009b, 2012a, 2017).

The specific issue of mutual understanding for operationalizing this between a destination and an origin country would lie in joint and collaborative education and training programmes while furthering the true spirit of the Global Compact for Migration (GCM). Its Objective 18 states: “Invest in skills development and facilitate mutual recognition of skills, qualifications and competencies”. Here the focus therefore should be on joint investment in education and training of STEM workers and students, their quantum and scale being decided through analysis of demand and supply between the destination and origin countries.

In my earlier writings, I have vouched for innovative models of dual, multiple and global citizenship to create a pool of “Global Health-keeping Force” along the lines of the “UN Peace-keeping Force” - readily accessible to a crisis-hit country, for example, during the recent Ebola outbreak in Africa (Khadria, 2012b). This would be a far more effective strategy to combat the brain drain of HRH than the often-circumvented pleas by WHO and the HRH-deficient origin countries in Africa, Asia and the South Pacific for practicing “ethical recruitment”. As cited in the IOM’s Red Book 2020 by the International Dialogue on Migration (IOM, 2020), I have argued for creating a “smart engagement” of not only HRH but a wider range of high-skilled STEM youth in global migration governance. The global bodies need to prioritize stability in educational, career and migration choices of the youth, often distorted by the necessities of coping with high volatility and selectivity of immigration and visa policies in destination countries. Now, these choices are precariously threatened at lightning speed by the compulsions of the current pandemic COVID-19. A significant step towards stemming the brain drain of medics, scientists and students would be to show exigency and declare STEM-youth as the sixth “global common” to be equitably shared by all unilaterally yearning-to-survive countries in a pretending-to-be multilateral world (Khadria, 2020b).

7. Migration to Suburbs and Exurbs: GCM for Ruralisation

The first week of the 21-day nationwide lockdown in India in March 2020 saw images of large masses of labour and their families trying to return to their native villages in rural India with their bundled belongings by whatever means of transport they could lay their hands on – overcrowded train tops, bus tops, handcarts, bicycles – or literally on foot, some with children perched precariously on suitcase trolleys, on the long path back home hundreds of kilometres away. The scenes of outmigration from cities like Delhi were reminiscent of one of the largest migrations in human history: the partition of India and the unprecedented population transfer that followed (Khadria, 2020a). The partition migration was triggered by a newly drawn line between the two nations whereas the lockdown exodus highlighted another kind of divide within the country – that between the rural and urban India. But both had taken a toll on “life and livelihood” due to man-made follies.

The search for a better life usually motivates rural-to-urban migration. The question is whether the move has actually provided a life to these migrants any better than what they would have had in rural areas? Now we are witnessing the opposite trend including in the United States as reported and analysed in the *Economist* (2021). Here is an opportunity to rethink internal migration in India and South Asia and turn a grim situation into a less dire one, rather somewhat better eventually – both for rural folks and city-dwellers. The Global Compact for Migration (GCM), agreed upon by most countries of the world in December 2018, has the mission to make migration safe, orderly and regular and align with the SDG dictum of “leaving no one behind”. The Compact is meant to apply to international migration across borders, where the responsibility of implementation lies more with the destination countries. However, couldn't it be extrapolated for internal migration as well? Could there be a pledge to make two-way migration between the villages and the cities in India and South Asia “safe, orderly and regular”? As for the lockdown migration, it was none of these, but there is scope to learn for the future. There can be a rethink followed by a planned strategy to make migration or displacement from urban to rural areas into one which is safe, orderly and regular. Unlike international migration, the responsibility of internal migration would remain with the states within a single country. There are instances of states in the federal structure of India and neighbouring countries cooperating as allies, not adversaries while dealing with climate migration. In the present case of coronavirus lockdown, however, some states behaved like they were adversaries of each other and the migrant labourers rushing home were nobody's babies. Several states sealed borders to stop urban-rural migration, without facilitating services that would have made their passage “safe, orderly and regular”, thereby minimizing the chances of spreading the infection, the very purpose of the lockdown in the first place.

What lessons could be drawn from this for the future well-being of migrants in India and South Asia? One could be that the urban-rural migration can be incentivised by attracting people back or even to stay back in the rural areas – smaller towns in the suburbs and exurbs if not villages and decongest the cities and metropolises. In India and perhaps elsewhere in South Asia too, wild animals were seen venturing onto urban streets, rivers becoming cleaner, skies turning bluer and urban air becoming purer as a result of a temporarily absent human enterprise during the lockdown. Even the incidences of urban ailments came down, and it is believed that a large part of these were actually manufactured by the medical industry. Is there then a way to nurture and sustain such positive effects of the COVID-19 lockdown on the city environment in an effort to pre-empt a bigger disaster than the coronavirus?

There are pre-conditions and safeguards that need to be erected steadily if not speedily. It would not be an easy thing to do, but neither has the lockdown been. If the people in the countries of South Asia could live with their lockdowns successfully, they should also be able to bear the cost of reimagining and rebuilding a different trajectory of rural-urban development. For example, it would help curb rampant illegal construction activities in housing in India, e.g., like those that go on all the year round in government-built colonies where children, youth and the elderly are made to suffer from dust pollution, noise pollution and bad interpersonal relations among neighbours – all leading to low immunity against virus attacks like coronavirus not to speak of high incidences of urban ailments. On the other side, the rural folks are deprived of their youth sucked in by the cities – in their fastest-growing sectors of employment, i.e., construction and domestic work. If people could be optimally distributed between the urban and rural areas, then trade, commerce and services like education and health - and thereby construction and domestic workers too - could be incentivised to relocate there as the hubs in the so far deprived rural or semi-urban suburbs and exurbs.

The lockdown wave of migrant workers desperately returning home in their villages throws up a vital question. Why were they so desperate to move out? This is because they did not have the needed retention power to stay back in the cities when a crisis struck – neither physical nor mental. Though the city offers higher wages and migrants earn more in urban areas compared to rural incomes, the higher income comes at the cost of their health, safety and well-being. Another question that comes to mind is: “Why has COVID-19 been not reported to be as high in villages and rural India as in the cities? Is it because the rural folks have relatively better lungs unspoiled by polluted air that their counterparts in urban India and South Asia have been breathing, both the rich and the poor? Perhaps the respiratory problems related to the weaker and more vulnerable lungs are specific creation of the cities, where clean air has become rare. One unnoticed but major reason for this is the rampant unregulated/illegal construction activity that, fired

by human greed, goes on unabated in the garb of renovations, even in otherwise complete structures in established housing colonies.

8. Diaspora Philanthropy in Policy and Practice

The policy and practice issues to be investigated in this pertains to finding out ‘what’ and ‘how’ of the conditions that would catalyze the world’s largest diaspora, i.e., the Indian diaspora to contribute to sustainable development in a still larger Trans-South Asian context, and ‘who’ among the South Asian diasporas would be well-equipped to do so. In brief, it pertains to asking what those conditions are that would enable Trans-South Asian Diaspora to contribute to global sustainable development through humanitarian philanthropy, a so far relatively neglected aspect of migrant contributions. My proposition is that humanitarian philanthropy by the Trans-South Asian Diaspora in a destination country like the US could be treated as an independent or determining variable that can catalyze the GCM’s Objective No. 19 mentioned above as the dependent or the determining variable. Some of the research questions one could raise are: Can such a possibility be crystallized through what the UN called “mini-multilateralism” among the South Asian countries – following a process that I had called the “Equitable Adversary Analysis” (EAA)? (Khadria, 2009a) Would each of the eight South Asian countries be able to moderate their own individual stakes and challenges in glossing over their “external conflicts of interest” - often reflected in the failure of the SAARC negotiations?

What remains for the destination countries of migration in the emerging international relations paradigm of citizenship then is to study and judge where the loyalty of their respective diasporas would lie – with their host- or home-country or both, with South Asia, with the Asian region, or somewhere else in the transnational global space? Whether migrants would no longer be excluded - as “brain drainees” or the so-called ‘deserters of the motherland’ by the origin country, and as “strangers at the gate” or ‘social parasites’ by the destination countries?¹⁸ In other words, whether the humanitarian philanthropy by the Diasporas would be really considered a great boon - not only for their developed host countries of the Global North but also for South Asia as their origin in the Global South? For example, as a hinterland of migrants, India has gone through a paradigm shift in its stance towards its own diaspora, and come up with a number of diaspora-friendly policies since the turn of the century, e.g., a life-long visa along with the OCI, low-cost insurance, repatriation of body in case of death, etc. Can India lead and usher in a shift of stance in other South Asian countries with their own respective diasporas and bring them under a single identity of Trans-South Asian Diaspora? To arrive at a proverbial ‘triple-win’ situation in international relations, however, for all the three stakeholders – the South Asian countries of origin, their internal and

¹⁸ For a critical analysis of the various aspects of brain drain and its counterparts, see Khadria, 1999.

international migrants, and the destination host countries whether within South Asia or outside, two specific conditions must be met: A ‘necessary condition’ of the dominant or significant geo-economic presence of the Trans-South Asian diaspora put together by some common bond(s) of identity; and a ‘sufficient condition’ of the source countries in South Asia deriving sustainable benefits of inclusion from that dominant presence. In terms of the large South Asian population from the Indian sub-continent in the US today, the first condition is more or less fulfilled (PEW Research Center, 2021). To satisfy the sufficient condition of inclusion for the origin countries to benefit from the humanitarian philanthropy of the Trans-South Asian diaspora in the US, the flows of remittances, transfer of technology, and return migration must all be directed *primarily* not towards trade and business but *first* towards the removal of two kinds of poverty among migrants which is rampant in South Asia - the ‘poverty of education’ and the ‘poverty of health’ – areas where diaspora policies have so far failed to change society in the source countries of South Asia by contributing to their economic and social development. Large masses of the illiterate and uneducated migrant population, excluded further by their poor health status are the root causes of South Asian countries having the lowest levels of average productivity of labour, even lower than some African countries, and therefore lowest average wages in the world - a paradox when South Asian diaspora members, on the average, make up amongst the highest income-earning and largest contributing ethnic communities to the GDP of the largest of the western global hubs of destination countries, the United States. Historically, a complex trajectory of emigration has been said to have produced “a diverse and dynamic tapestry in the Indian diaspora. The migrating communities have been defined by a strong sense of ethnic pluralism ...because they were drawn from across the Indian subcontinent” that subsumed most of South Asia. As for the spread of the Indian diaspora, *The Encyclopedia of the Indian Diaspora* says, “[It is] the name given to the complex array of rituals, mythologies, festivals, and customs recognized and practiced by a majority of inhabitants of India, and has long historical roots there...” (Lal et al, 2006)

Before such diversities could be integrated into one and across South Asia, I had argued that there would be a challenge before an origin country in South Asia like India, Nepal, Sri Lanka, Bangladesh, Pakistan, Afghanistan and so on to convince one’s own diaspora community to rethink development through humanitarian philanthropy towards migrants as a “bottom-up” approach for enhancement of sustainable productivities of labour through the development of education and health. It was not just a matter of willingness; in many instances, it would entail long periods of struggle in patiently planting those convictions in philanthropic decision-making and priority-setting discerning abilities among the leaders of the diaspora communities originating from South Asia. Such a bottom-up approach towards protection and empowerment of the migrants has been suddenly jacked up on the agenda of diaspora philanthropy with a jolt by the miseries inflicted on

them by the COVID-19 pandemic, short-circuiting the gap between the willingness and execution. Examples of the specific forms, mechanisms and dynamics of those humanitarian philanthropies covering immediate provisions of medical services and supplies, cremation services, offering prepared food and accommodation in the immediate run, and scholarships to students orphaned because of death of parents and a host other philanthropic services in the short and medium run, promoting the migrants among the poor and deprived sections of society have galore.¹⁹

9. Concluding Remarks

In international migration discourse, one would rarely come across debates focused on migrant workers and their families per se. Most analyses have focused on their home and host economies' costs and benefits in monetarily quantified terms - through brain drain or transfers of skills, knowledge and technology, but most prominently in the form of remittances (Khadria 1999, 2020b). For India, the top recipient country of remittances for several years, the latest World Bank estimate has been US\$ 83 billion in 2019, projected to fall by 23 per cent due to the COVID-19 pandemic (World Bank 2020, pp. 25-26)²⁰. Many have asked: To what end? There has not been any significant study probing deep into the dark sides of social costs borne by migrant workers in terms of self-deprivation for maximizing their savings that are funnelled back home as remittances through official and unofficial channels, nor on the fragility of the remittances during a crisis like COVID-19. The reason behind all this is that the well-being of the migrants and their families has never been at the centre-stage of development discourse; the focus being on the development of the source, transit and destination countries in general. Strictly speaking, even Objective-19 of the GCM would be found wanting on this in the sense that it does not talk about migrants' welfare per se but of the countries involved when it calls out their commitment: "We commit to *empower migrants and diasporas to catalyse their development contributions*, and to harness the benefits of migration as a source of sustainable development, reaffirming that migration is a multidimensional reality of major relevance *for the sustainable development of countries of origin, transit and destination.*" This ought to be modified at the first International Migration Review Forum (IMRF) of the GCM scheduled in May 2022 so as to explicitly include the welfare and development of the migrant labour and their families in crises like the ones the world experienced through COVID-19.

¹⁹ This "disruptive break" has been evident in the number, types and volumes of donations by the diaspora members pouring in and documented live under two special telethon initiatives by NDTV with Prannoy Roy and his associates as anchors: "Dil Se Sewa" in association with Delhi Sikh Gurudwara to run "langars" for food distribution to the COVID-19 affected people (<https://special.ndtv.com/dil-se-sewa-74/>), and "Rebuilding Lives for Migrant Workers" (<https://special.ndtv.com/rebuilding-lives-72/>); websites last visited on 31 Dec., 2021.

²⁰ See also: <https://timesofindia.indiatimes.com/business/india-business/remittances-to-india-projected-to-fall-by-23/articleshow/75336790.cms>

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Social Protection in India: Understanding Trends and Policy Imperatives

Ruma Ghosh*

This paper addresses the linkages between social protection and informality. As social security should be seen as a right of each and every worker, therefore there is a need to adequately cover all categories of workers including self-employed and other categories of informal workers. In a country like India where a majority of the workforce is in the informal sector, care needs to be taken to ensure that a large number of informal sector workers are not left out of social protection programmes. Universal social protection policies, including floors, can enhance human capital and productivity, reduce poverty and inequality, and contribute to inclusive growth. This can be achieved by extending social insurance to all categories of informal workers and not the poor workers alone. Such protection mechanisms can go a long way in protecting the large section of informal workers in developing countries like India.

Keywords: *Social Protection, Social Assistance, Informal Sector, Social Security Reforms.*

1. Introduction

The concept of social security has evolved over time. Starting from Chancellor Otto von Bismarck's sickness insurance law in 1883 which provided to employees in defined types of industry both medical care and cash benefits during a period of sickness from the contributions from both employees and employers, to the Beveridge Committee Report in 1942 which had provisions for maintenance of employment, children's allowances and comprehensive health services, to the ILO's flagship Convention 102 - Social Security (Minimum Standards) Convention, 1952 which proposed for protective measures during contingencies faced by workers during their life cycle.

Social security or protection is a human right and is defined as the set of policies and programmes designed to reduce and prevent poverty and vulnerability throughout the life cycle. Social protection plays a key role in achieving sustainable development, promoting social justice, and realizing the human right to social security for all. The status of social security as a human right is enshrined in the Universal Declaration of Human Rights (1948, Arts 22 and 25), the International Covenant on Economic, Social and Cultural Rights (1966, Arts 9 and 11), and other human rights instruments.

* Dr. Ruma Ghosh, Faculty Member (Fellow), V.V. Giri National Labour Institute.
Email: rumanli@gmail.com

Social protection plays a key role in ensuring income security for workers, in the form of medical and sickness benefits, maternity protection, unemployment support, employment injury protection, and disability benefits. These schemes contribute to smooth incomes, enhance human capital, and promote productive employment. Social protection thus facilitates and contributes to inclusive and sustainable growth. The ILO's social security framework consists of eight Conventions and Recommendations. The most prominent instruments are the Social Security (Minimum Standards) Convention, 1952 (No. 102), and the Social Protection Floors Recommendation, 2012 (No. 202). Convention No. 102 brings together nine social security contingencies (medical care, sickness, unemployment, old age, employment injury, family responsibilities, maternity, invalidity, survivorship) into a single comprehensive and legally binding instrument. Adoption of Convention 102 by the ILC in 1952 has been followed by the adoption of a series of Conventions dealing with specific branches of social security such as employment injury benefits (Convention 121, ILO, 1964); old-age, invalidity, and survivors' benefits (Convention 128, ILO, 1967); medical care and sickness benefits (Convention 130, ILO, 1969); unemployment benefits and labour market policies (Convention 168, ILO, 1988); and maternity benefits and other forms of maternity protection (Convention 183, 2000 and Recommendations 1991) (World Social Protection Report 2017–19, ILO, 2017). All these Conventions are accompanied by associated Recommendations, which include additional guidelines for social security policies. Recommendation No. 202 provides guidance on closing social security gaps and achieving universal coverage through the progressive establishment of comprehensive social security systems. It calls upon achieving universal coverage with at least minimum levels of protection through the implementation of social protection floors as a matter of priority, and to progressively ensure higher levels of protection. National social protection floors should comprise basic social security guarantees that ensure effective access to essential health care and basic income security at a level that allows people to live in dignity throughout the life cycle. These should include at least: (i) access to essential health care, including maternity care; (ii) basic income security for children; (iii) basic income security for persons of working age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity, and disability; (iv) basic income security for older persons.

Social protection is fundamental to achieving the Sustainable Development Goals (SDGs) and promoting social justice for realizing the human right to social security for all. Target 1.3 talks about implementing a nationally appropriate social protection system and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and vulnerable. Through its contribution to the social and economic pillars of sustainable development, social security is reflected directly or indirectly in at least five of the seventeen SDGs.

Over the years, although there has been significant progress in extending social protection, the human right to social security is not yet a reality. A large majority of the global population (71 per cent) of the world population – 5.2 billion people – have access to partial social protection only. Only 46.9 per cent of the global population are effectively covered by at least one social protection benefit (excluding healthcare and sickness benefits), while the remaining 53.1 per cent – as many as 4.1 billion people – are left unprotected (World Social Protection Report 2020–22, ILO, 2021). Therefore, extending coverage as well as providing adequate benefits is a major concern and challenge, in order to build an equitable society. There is a need for developing institutions that support the creation of quality jobs with decent wages and working conditions (Berg, 2015) as well as enacting policies to support those who do not have adequate work and income, and who work primarily in the informal economy.

2. Social Protection for Workers

Social protection plays a very important role in ensuring income security for workers, which is an essential component of their well-being. There is a need for effective policies in order to realize their right to social security and at the same time ensure the efficient functioning of labour markets and broader economic and social development. Income security can be assured by (i) replacing income lost temporarily or permanently as a result of unemployment, employment injury, disability, sickness, or maternity; (ii) income support or other social protection measures where income is insufficient; (iii) support to restore earning capacity after any of the above-mentioned contingencies to facilitate participation in employment. Income security cannot be assured unless factors such as employment protection, wages (minimum wages), and other related factors which prevent income loss such as medical care, sickness benefit, maternity benefit are taken care of through statutory protection mechanisms. Moreover, the responsibility to support dependents needs to be taken into account in order to assure income protection and stability. Thus, social protection policies need to be coordinated with well-designed policies to address all these challenges in the fields of employment, labour market, and wages.

While contributory schemes cover workers (and their dependants) through different social security programmes to meet the life cycle contingencies, these types of programmes often do not cover, or inadequately cover the needs of people (and their dependants) who are economically active but not in formal employment or whose income from employment is too low to prevent them and their families from falling into poverty (working poor); or who are unemployed or underemployed. For such groups, there is a need for non-contributory schemes and programmes to close the gaps in coverage and to secure basic protection. This

does not happen most of the time and even if there are some non-contributory social assistance schemes, the benefits of such schemes are not adequate in order to meet the contingency faced by the worker. As a result, the majority of the working-age population end up making out-of-pocket (oop) expenses to meet their life cycle contingencies, which further pushes them to a situation of poverty and vulnerability. It is thus important that we take a look into the four social security measures that are most relevant to people of working age, namely: (i) maternity protection, (ii) unemployment protection, (iii) employment injury protection, and (iv) disability benefits.

2.1 Maternity Protection

Maternity protection is a key component of the 2030 Sustainable Development Agenda. Maternity protection ensures income security for pregnant women and mothers of newborn children and ensures quality maternal and child health care. It is an essential prerequisite for the achievement of women's rights and gender equality by promoting equality in employment and occupation. Women's right to maternity protection is enshrined in a number of major human rights instruments such as the Universal Declaration of Human Rights, 1948, which states that motherhood and childhood are entitled to special care and assistance; the International Covenant on Economic, Social and Cultural Rights, 1966, which establishes the right of mothers to special protection including paid leave before and after childbirth, or leave with adequate social security benefits; the Convention for the Elimination of All Forms of Discrimination Against Women, 1979 which recommends that special measures be taken to ensure maternity protection; ILO Maternity Protection Convention, 1919 (No. 3); Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Maternity Protection Convention, 2000 (No. 183), and its accompanying Recommendation (No. 191), which set higher and more comprehensive standards on population coverage, health protection, maternity leave and leave in case of illness or complications, cash benefits, employment protection and non-discrimination, as well as breastfeeding.

Although extending paid maternity leave provisions is an important means of improving income security and access to maternal and child health care for pregnant women and new mothers yet most maternity cash benefit schemes cover women in formal employment only through contributory schemes. As a result, women working in informal employment including the self-employed, part-time workers, and other non-standard forms of employment, or the women living in poverty are at a disadvantage and are left out from this protection measure. Globally only 44.9 per cent of women with newborns worldwide receive a cash maternity benefit (ILO 2021).

2.2 Unemployment Protection

Unemployment protection schemes provide income support to unemployed and underemployed workers and their families, thereby providing safeguards against slipping into poverty. In addition, unemployment protection measures are intended to facilitate return to employment through employment promotion programmes such as skills development and entrepreneurship support measures. However, contributory unemployment benefit schemes based on collective financing and pooling of the unemployment risk, benefit workers in formal employment particularly, on whose behalf regular contributions can be collected. Therefore, in situations where a large portion of the workforce is outside formal employment, non-contributory unemployment benefit schemes or assistance combined with measures to facilitate a rapid return to employment and/or upgrading of skills, thereby embodying the principles that lie at the core of Convention No. 168 and Recommendations Nos 176 and 202 play a crucial role. Only 8.6 per cent of unemployed people globally receive unemployment cash benefits in the event of job loss, largely owing to the absence of unemployment protection schemes (ILO 2021).

2.3 Employment Injury Protection

Employment injury protection, which provides benefits in cash and in-kind in cases of work-related accidents and diseases, constitutes the oldest branch of social security and contributes to SDG 1.3. The cost of employment injury benefits and safety and health at work, including prevention and rehabilitation of injured workers, is normally part of the company's cost. However, in order to ensure timely provision of benefits to injured workers and their dependants, employment injury insurance (EII), which is a more predictable and sustainable financing mechanism by following social security principles as contained in ILO Conventions Nos 102 and 121 has taken precedence. However, employment injury insurance (EII) covers a small number of workers in the formal sector only, thereby leaving out the vast majority of workers in the informal economy. The challenge of extending employment injury protection to workers in the informal economy remains, particularly with the coming up of global supply chains which has led to complex work arrangements and different layers of production. Such work is usually carried out through contract labour arrangements with layers of intermediaries and informal workers including homeworkers who are located at the end of complex supply chains that connect factories, contractors, subcontractors, homes, and workshops across the globe on highly unequal terms.

2.4 Disability Benefits

Disability benefits or effective social protection measures to protect persons with disabilities and promote independent living and access to decent work are a

precondition for achieving the SDGs and human rights. Disability-inclusive social protection systems guarantee access to schemes for persons with disabilities. Disability benefits should enable persons with disabilities to actively participate in labour market by ensuring special provisions and benefits which may be in cash, kind, or both. The share of people with severe disabilities worldwide who receive a disability benefit remains low at 33.5 per cent (ILO 2021).

2.5 Old-Age Benefits

Old age benefits are the most widespread form of social protection in the world and a key element in SDG 1.3. Income security in old age also depends on the availability of, access to, and cost of other social security benefits such as health care, housing, and long-term care. However, the right to social protection of older persons is not yet a reality especially for those who have worked in the informal sector. As a result, only a small fraction of the workers are protected with old age benefits. Although non-contributory pensions give access to at least a basic pension yet the benefit levels of the non-contributory pensions are usually very low and therefore not adequate to fully meet the economic needs. Moreover, the coverage of women workers is further lower because of their lower labour market participation and over-representation as self-employed or unpaid family workers, particularly in agriculture, home-based works, or in occupations or sectors not covered by the legislation.

2.6 Protection of Workers in Web-based Platforms

Over the years there has been growing diversification of work arrangements which has been further propelled by development in technology. It has been seen that in both developed as well as developing nations, there have been transformations in the traditional forms of employment and new forms of employment such as platform-based work has been growing. Moreover, Artificial intelligence (AI) is reshaping the way businesses are functioning today. These new forms of employment constitute a range of contractual arrangements that deviate from a standard open-ended, full-time, dependent employment relationship, which constitutes the ground for the formulation of most social security policy frameworks. These new forms of employment while on the one hand offer opportunities for part-time work or work from home which can allow some people to balance work and family life, yet such work also have several challenges and can aggravate the high levels of informality faced by developing countries' and can result in precarious or insecure work for those in new forms of employment, such as workers on digital platforms (Christina and Nguyen, 2018).

A survey of working conditions of 3, 500 workers living in 75 countries around the world and working on five English-speaking microtask platforms showed

that workers preferred this kind of work either to complement pay from other jobs (32 %) or due to their health conditions (10%), could only work from home due to care responsibilities (13% women and 5 % men). The survey found that in 2017, on an average across the five platforms, a worker earned US\$4.43 per hour when only paid work was considered and US\$3.31 per hour when total paid, and unpaid hours were considered. The study found that social protection coverage is only about 16 per cent of the workers for whom crowd work was their main source of income were covered by a retirement plan or other social protection plan.

2.7 Protection for International Workers

It is seen that over the years there has been an increase in transnational trade and along with it, migration of workers between countries has also increased. Globally there were 272 million international migrants in 2019, three out of four of which were between the ages of 20 and 64 years, which is the age range commonly defined as the working-age (UN, 2019). A key factor that affects transnational migrations is the lack of social security rights for international migrant workers. Migrant workers often either fail to qualify for benefits based on past contributions in their country of origin or to acquire entitlements based on their contributions made in the country of destination once they return to their countries of origin (portability of rights). The International Labour Organisation (ILO) has developed a comprehensive set of normative instruments meant to guide the development of national, bilateral, and multilateral frameworks aimed at protecting migrant workers, including their social protection. The major instruments in this respect are the Equality of Treatment (Social Security) Convention, 1962 (No. 118), the Maintenance of Social Security Rights Convention, 1982 (No. 157) based on basic principles of treatment, and the Maintenance of Social Security Rights Recommendation, 1983 (No. 167) which contains a set of Model Provisions for the Conclusion of Bilateral or Multilateral Social Security Instruments which can be used by countries willing to coordinate their social security systems. The ILO Multilateral Framework on Labour Migration: Non-binding Principles and Guidelines prescribes for a rights-based approach to labour migration (2006), among other issues, addresses the important themes of decent work for all, governance of migration, protection of migrant workers, promoting migration and development linkages, and expanding international cooperation.

Social Security Agreements (SSAs) are bilateral/multilateral reciprocal instruments (treaties) between two or several nation-states which play a very important role in protecting the interests of workers who work in another country. These agreements besides protecting the workers on the one hand also facilitate the competitiveness and ease of business for companies on the other hand. Although India has not entered into any multilateral agreement so far, the country has several bilateral

agreements with countries like Austria, Australia, Belgium, Brazil, Canada, the Czech Republic, Denmark, Finland, France, Germany, Hungary, Japan, Republic of Korea, Luxembourg, the Netherlands, Norway, Portugal, Sweden, and Switzerland. In fact, efforts are being made by the BRICS nations, for either bilateral or multilateral social security agreements between BRICS nation-states, which have been discussed in the BRICS Labour and Employment Ministers' Meetings.

3. Social Protection – India

The Indian workforce is characterized by a small formal/organized sector of the economy and a huge informal/unorganized sector. A classification of the workforce showing formal and informal employment in both the organized and unorganized sectors (Table 1) shows that the Indian labour market is predominantly informal. In the year 2018-19, the nature of employment for more than 90 per cent workers in India's labour market was informal.

Table 1
Workers across Sectors and Type of Employment

Type of Employment	Informal Employment	Formal Employment	Total
Informal sector	80.6%	9.6%	90.2%
Formal sector	0.6%	9.2%	9.8%
All	81.2%	18.8%	100%

Source: Estimates based on Periodic Labour Force Survey (PLFS), 2018-19, MoSPI.

Table 2 shows the WPR for men and women in the age group 15 years and above for the period 2017-18 to 2019-20 under different categories of work. With regard to men, it is seen that the overall work participation rate has remained more or less the same during this period. Even in terms of the different categories of work, there is not much variation during the three years. For the women, it can be seen that there has been a significant increase in the WPR in both rural and urban areas. The increase in the WPR for rural women is contributed mostly by the increase in employment in household enterprises as unpaid family workers. There is also an increase in the percentage of casual workers and a small increase in self-employed women. The increase in these categories may not necessarily be due to any improvement in the overall economic activity but could be either because of their increased employment in the agricultural sector or could be distress driven owing to the vulnerability such employment is associated with. It has been seen that the increase in workforce participation by rural women is due to the work participation of women from low-income households.

Table 2
Percentage of Usual Status 15 plus Workers in Different Categories

Period			Self Em- ployed	Unpaid Family Worker	Regular/ Wage/ Salaried	Casual Workers	Total Workers (WPR)
2017-18	Men	Rural	34.7	7.0	10.1	20.3	72.0
2018-19			34.9	6.6	10.3	20.4	72.2
2019-20			35.8	7.7	10.3	20.7	74.4
2017-18		Urban	24.2	3.0	31.7	10.4	69.4
2018-19			23.7	2.8	32.3	9.7	68.6
2019-20			24.2	2.8	33.0	9.9	69.9
2017-18	Women	Rural	4.5	9.1	2.3	7.5	23.7
2018-19			5.6	9.6	2.8	7.5	25.5
2019-20			6.7	13.6	3.1	8.9	32.2
2017-18		Urban	4.3	2.0	9.5	2.4	18.2
2018-19			4.6	1.8	10.1	2.0	13.4
2019-20			5.0	2.3	11.5	2.4	21.3

Percentage of usual status workers in different categories of in 15 plus population

Source: PLFS Reports.

It is seen that a considerable share of the workers in all the three PLFSs was self-employed. This is followed by casual workers (24%) and regular salaried workers. Of the total self-employed workers, the majority of the workers are own-account workers in micro or household enterprises. Again, a sizable amount of the workers are unpaid workers in family-based enterprises. Leaving the rural areas where there are predominantly agricultural workers if the urban areas are taken into consideration, more than half the informal workers were self-employed.

3.1 Decline in Earning of the Workers

Though there was an increase in regular wage employment for urban men as well as urban women, they did not enjoy significant wage gains. It was seen that the biggest income growth for men was for own account workers (OAWs) in the urban areas. However, the earnings for the female OAWs on the other hand decreased over this period, in both rural and urban areas (Table 3). There could be an argument that even though real incomes are falling, it would imply an improvement in welfare for those women who were earlier engaged in domestic work but are now in paid work. Although this may apply to first-time workers yet for women who have always been working in these sectors, this could indicate longer working hours to maintain a given standard of living. The decline in average real incomes, while representing a rise in aggregate income for first-time workers, might indicate the prevalence of “distress employment”, where workers are engaged in poorly paid activities in order to meet their survival needs.

Table 3
Average Monthly Real Incomes by Employment Categories (in Rs.),
2017-18 to 2018-19

	Male				Female			
	2017-18		2018-19		2017-18		2018-19	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
Casual Worker	4302	5261	4455	5508	2600	3128	2685	3323
Employer (HH Enterprise)	10858	21479	11044	22247	5603	13729	6994	18884
Own Account Worker	6325	10953	6520	12006	2945	4614	2944	4543
Regularly Employed	9760	13712	9545	13970	6448	10885	6164	11251

Source: PLFS 17-18 and PLFS 18-19.

3.2 Social Security of Workers

As can be seen from Table 4, only a small proportion of workers are regular salaried workers who can be covered by employer contribution-based social security programmes. Even out of these regular wage workers, it has been seen from the findings of the Periodic Labour Force Surveys that the majority of them did not have access to any kind of social protection from their employers. It has been seen that in terms of social security provisions from the employers, only 26 per cent of the regular salaried workers were eligible for one or a combination of benefits such as provident fund, gratuity, health care benefits, and maternity benefits. While 35 per cent workers in urban areas benefitted from the social security programmes, the share of rural areas was only 17 per cent. Only 19 per cent of these workers had a written job contract the share of which in the urban areas is 26 per cent and 16 per cent in rural areas (PLFS 2018-19).

Table 4
Access to Social Security Benefits for Non-agricultural Wage Workers

Period	Social Security Benefits	Paid Leave	Written Job Contract
Rural			
2011-12	16%	19%	14%
2018-19	17%	20%	16%
Urban			
2011-12	33%	39%	27%
2018-19	35%	38%	26%
All India			
2011-12	23%	28%	21%
2018-19	26%	28%	19%

Source: Periodic Labour Force Survey, 2018-19, and Employment and Unemployment Survey, 2011-12, MoSPI.

This is because, although India has a well-established social security system providing varying degrees of coverage in all the nine branches of the ILO Convention 102, yet such effort has been carried out with the aim to cover formal regular workers in the organized sector only through contributory social security provisions. As can be seen from Box 1, the social security legislation which covers workers in the organised sector, all have a threshold of ten or more employees for applicability except Employees' Provident Funds and Miscellaneous Provisions Act, 1952 which has a threshold of twenty workers, thereby eliminating many regular salaried workers who work in establishments below this threshold, besides eliminating other informal workers such as self-employed and home-based workers. In the absence of such social security provisions, the workers in the unorganised sector are either inadequately covered or not at all covered under the existing labour legislations, social protection schemes, and other employment benefits.

Box 1: Social Security Laws for Workers in the Organised Sector

1. **Employees' Provident Funds and Miscellaneous Provisions Act, 1952**
 - The Act applies to a defined class of industries employing 20 or more employees.
 - The Schemes run by EPFO are Employees' Provident Funds Scheme-1952, Employees' Pension Scheme - 1995, and Employees' Deposit-Linked Insurance Scheme - 1976.
 - The covered establishments are required to statutorily comply in respect of all their employees drawing wages up to Rs 15,000 per month (w.e.f. 01.09.2014).
 - Provident Fund is based on a defined contribution scheme where both the employees and the employers contribute their mandated share.
 - A mix of "defined contribution" and "defined benefit" forms the Pension Scheme. The employees do not have to contribute to this scheme.
 - Insurance Scheme is a deposit linked Scheme that provides for benefits up to Rs 6,00,000/- without any contribution from employees.
2. **Employees' State Insurance Act, 1948**
 - This Act applies to all factories (including factories belonging to the [Government]) other than seasonal factories with 10 or more employees and provides insured workers with sickness benefit, maternity benefit, employment injury led disablement benefit, payment to dependants of an insured person who dies as a result of an employment injury, medical benefit for and attendance on insured persons and funeral expenses to the eldest surviving member of the family of an insured person.
 - The rate of contribution under the ESI Act 4% - employers' contribution reduced is 3.25% and employees' contribution reduced from 0.75% - w.e.f. 01.07.2019.
 - A total of 12,36,565 factories and establishments have been covered by ESIC
 - The number of registered employees and insured persons during financial year 2019-20 stood at 309.67 Lakhs and 341.44 Lakhs respectively
3. **Maternity Benefit (Amendment) Act, 2017**
 - As per the new Maternity Benefit (Amendment) Act, 2017, the Maternity leave available to the working women has been increased from 12 weeks to 26 weeks for the first two children.
 - Besides, provisions relating to work from home and crèche facility have been introduced in the Amendment Act
4. **Payment of Gratuity Act, 1972**
 - This Act provides 15 days wages for each year of service to employees who have worked for five years or more in establishments having a minimum of 10 workers.
5. **Employees' Compensation Act, 1923**
 - This Act provides payment of compensation to the worker or his family in cases of employment related injuries resulting in death or disability.

Source: Annual Report 2018-19, EPFO; Annual Report, 2019-20, ESIC.

Box 2: Social Security Laws for Workers in the Organised Sector

- The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 provides safety, health, and welfare measures for the building and other construction workers. For this purpose, a cess is levied and collected at the rate of 1% of the cost of construction by the State Governments under the Building and Other Construction Workers' Welfare Cess Act, 1996. The States, through their respective State Building and Other Construction Workers Welfare Boards, constituted under BOCW Act, utilize the cess fund welfare measures.
- The Unorganised Worker's Social Security Act 2008 was enacted for the social security and welfare of unorganised workers. The Act mentions about the constitution of a National Social Security Board and State Social Security Boards which will give recommendation for the formulation of suitable social security schemes as laid down in Schedule I of the Act.

3.3 Impact of Inadequate Coverage

Lack of adequate social protection mechanisms coupled with lack of adequate public welfare facilities for the population can lead to catastrophic out-of-pocket payments among households, thereby making households who are at the margins of poverty vulnerable to poverty and those who are poor to further impoverishment, thereby creating a cycle of poverty for such households. There are several studies that have documented the fact that without adequate protection mechanisms as well as inadequate public facilities, households spend a large share of their income to meet contingencies like healthcare, etc. This higher burden of households' out-of-pocket (OOP) payment is often associated with impoverishment and catastrophe. Almost 11% of households in India paid for medical needs which were more than 10% of their total expenditure during 1999-2000 Van Doorslaer et al. (2006). This spending of a large share of the household budget on healthcare had serious implications for the living standards of households. Hospital spending made people particularly vulnerable to poverty. The findings from the study by Peters et al indicated in 1995-96, about 2.4% of the population were pushed below poverty levels due to huge payments made for hospitalisation (2003). Garg and Karan (2008) using the norm of one dollar poverty line, in their study concluded that during 1999-2000, approximately 32 million people in India were pushed below poverty line due to high OOP payments for healthcare. The proportion of the population reporting any OOP payments had increased sharply from about 60% during 1993-1994 to 80% in 2011-2012. The share of spending on health from households' overall consumption expenditure had also registered a sharp increase from 4.8% during 1993-1994 to nearly 7% in 2011-2012. As far the catastrophe measurement is concerned, applying a 10% threshold of OOP payment on overall consumption expenditure, an estimated 18% of Indian households appear to suffer financial catastrophe during that period. The OOP expenditure on medicines alone contributed to an estimated 11% of financial catastrophe. In absolute numbers, this translates to a scenario where an estimated 46 million households appeared

to face catastrophic expenditure on account of OOP payments while 29 million households faced such hardship because they had to pay for medicines from their pockets (Sakthivel et al.2018). Evidence from the National Health Accounts for India points out that during 2015–2016, households' Out of Pocket Expenditure on health (OOPE) is Rs. 3,20,211 crores which translates to 60.6% of the total health expenditure (THE), 2.3% of GDP and Rs. 2,494 per capita expenditure (National Health Accounts Estimates for India, 2018). This reflects the vulnerability of households who not adequately covered by social protection schemes.

Similarly, when it comes to benefit for women workers, it needs to be understood that only an estimated 5% of women workers are employed in the formal sector. Although the work participation rate of women workers has been increasing as seen from the Periodic Labour Force data yet women experience an expansion of self-employment particularly with falling real incomes. Moreover, women also face an unequal work burden of unpaid work. The unpaid family workers as can be seen from Table 2 above (Periodic Labour Force Survey 2019-2020) is highest among rural female workers). As most of the work done by women is invisible and unrecognised outside the boundaries of the formal economy, therefore the maternity benefit legislation can cover only a small number of women. The majority of the women workers are outside the purview of this legislation, and dependant on social assistance programme meant for them.

3.4 Non-contributory Social Assistance Programmes

When it comes to non-contributory social assistance programmes, the focus is usually outside of the labour market for example grants for the elderly, children, below poverty households, rural people, etc. Informal workers have been largely absent as a direct target group for social assistance (non-contributory social protection) programmes. Such workers – the missing middle on the one hand may not be considered vulnerable or poor enough to benefit from social assistance grants, nor do their low and irregular earnings allow them to contribute to private or social insurance schemes.

Moreover, social assistance programmes lack long-term continuity, and the benefits are often not adequate enough to meet the contingencies of the vulnerable people. There are several examples of non-contributory social assistance programmes in India such as the Indira Gandhi Matritva Sahyog Yojana (IGMSY) Programme, launched in 2010 which provided cash transfer to pregnant and breastfeeding women aged 19 and over, regardless of their employment status, for their first two pregnancies, or the Rashtriya Swasthya Bima Yojana, a health insurance programme for the below poverty level (BPL) households launched in 2008 and several other which have seen abrupt closure. Although such schemes have been revamped and launched later yet the vulnerable population go through a long stretch of period when they are not covered by any assistance programme.

Moreover, such schemes have also seen a lot of implementation issues. A study on Indira Gandhi Matritva Sahyog Yojana (IGMSY) Programme points out issues such as slow take-off of the scheme in several states, delays in payment, coverage of only 28% of the targeted women from 2011-12 to the first quarter of 2013-14 (Sinha et al, 2016). Similarly, a study of the Rashtriya Swasthya Bima Yojana in Jharkhand, Maharashtra, and Punjab in 2013 showed that 35 per cent of the targeted households who were supposed to have been below poverty line (BPL), were non-poor and only 31 per cent of the surveyed households were aware of the scheme even after two years of the implementation of the scheme (Ghosh, 2013).

Thus, in the light of these observations, it can be understood that as of now the workers in the informal sector either lack social protection coverage or are inadequately covered, which can have severe consequences for the households by making them vulnerable to poverty or pushing the already poor further in the cycle of poverty. It is therefore important that the workers in the informal sector, who are most often outside the purview of any defined statutory social protection benefits, are provided with adequate social protection measures.

4. Reforms on Social Security - The Code on Social Security, 2020

Based on the recommendations of the National Commission on Labour (2002) (NCL) which had emphasised the need for universal and comprehensive social security coverage to avoid deprivation of basic needs of workers, and recommended the simplification and consolidation of existing laws, reform in the area of social security in the country was initiated. The Social Security Code, 2020 was passed on September 28, 2020. The purpose of the Code on Social Security, 2020 (SS Code) was to amend and consolidate the laws relating to social security with the goal to extend social security to all employees and workers either in the organized or unorganized or any other sectors and for matters connected therewith or incidental thereto. The SS Code has subsumed nine existing legislations in the area of social security which are (i) The Employees' Compensation Act, 1923; (ii) The Employees' State Insurance Act, 1948; (iii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952; (iv) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959; (v) The Maternity Benefit Act, 1961; (vi) The Payment of Gratuity Act, 1972; (vii) The Cine- Workers Welfare Fund Act, 1981; (viii) The Building and Other Construction Workers Welfare Cess Act, 1996; (ix) The Unorganised Workers' Social Security Act, 2008.

It is seen the SS Code like the earlier social security legislations adhere to a threshold in terms of the total number of workers in the enterprise or wage earned by the workers, for providing social security with regard to compensation in case of accident/death, ESIC benefits, EPF benefits, gratuity, and maternity benefits, thereby eliminating many workers as was the case earlier. However, in order to ensure that the informal workers are adequately covered, the Code provides for registration of all three categories of workers - unorganised workers, gig workers, and platform workers and also mentions social security funds for these categories of

workers. In addition, as per the SS Code, Social Security Boards will be constituted both at the national as well as at the state levels for the purposes of the welfare of gig workers and platform workers, which funded through a combination of contributions from the central government, state governments, and aggregators (platform companies including ride-sharing services, food, and grocery delivery services, content and media services, and e-marketplaces. It is expected that such initiatives of protecting the informal workers through a combination of social insurance and assistance, will go a long way in improving the social security of workers in the informal sector.

5. Registration of Unorganised Workers - e-shram Portal

In an effort to register the unorganised workers as per the SS Code, the e-shram portal was launched recently. This portal has been developed to register more than 38 crore unorganised workers including construction workers, migrant workers, gig and platform workers, street vendors, domestic workers, agriculture workers, etc. under one portal and create a National Database of Unorganized Workers (NDUW). The aim is to improve the implementation efficiency of the social security services for the unorganized workers, entail integration of social security schemes meant for unorganised workers, and ensure portability of the social security and welfare benefits to the migrant and construction workers.

6. Conclusion

Social protection and informality are intricately linked. Informal workers as a direct target group have been largely absent from on the one hand from contributory schemes which cover workers and their dependants and on the other hand, are largely absent from social assistance (non-contributory social protection programmes). Thus, when it comes to social protection, many informal workers fall into what is commonly known as “the missing middle.” Informal workers are often not considered vulnerable enough to benefit from social assistance grants, nor do their low and irregular earnings allow them to benefit from contributory schemes or contribute to private or social insurance schemes. Moreover, the social assistance programmes often do not provide adequate social security to cover the contingencies.

As social security should be seen as a right of each and every worker, there is a need to adequately cover all categories of workers including self-employed and other categories of informal workers. In a country like India where more than 90 per cent of the workforce is in the informal sector, covering only the poor unorganized workers through different social assistance programmes is not enough. Therefore, universal social protection policies, including floors, which can enhance human capital and productivity, reduce poverty and inequality, and contribute to inclusive growth would go a long way in protecting the workers. This can be achieved by extending social insurance to the workers supported by social assistance. Such protection mechanisms can go a long way in protecting the large section of informal workers in developing countries like India.

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On Some Aspects of Rural Labour in India at the Current Juncture

Praveen Jha* and Manish Kumar**

A rural labourer is best understood as a worker who engages in multitasking not only in rural but also in urban areas, although he is primarily a resident of a village. A large section of rural labourers are landless and come mostly from the deprived community, which is organically connected with the caste system in India. Although there had been some gains, albeit limited during the period of planned economic development, the neoliberal policies of the last three decades have put considerable pressure on these, thus posing additional serious challenges to the prospects of decent livelihoods of rural workers; the fall in employment, consumption, real wages, etc. are its major indicators. Therefore, a serious rethinking of the overall strategy for structural transformation, including a re-look at the Agrarian Question, is of utmost importance, from the point of envisioning a sustainable and appropriate world of work for rural labour.

Keywords: *Rural Labour; Agrarian Question; Structural Transformation*

1. Introduction

It is widely acknowledged by researchers that mapping labour and labour relations in contemporary India is a large and complex subject, for a variety of conceptual and empirical challenges. At the core of this complexity is the well-known fact that India's rural areas have been characterised by a great diversity of regional and sub-regional political and historico-economic patterns, which have also influenced, in profound ways, the contemporary trajectories. In a *longue durée* sense, among the key factors to have influenced the above noted outcomes relate to differences in agrarian structures, revenue regimes (especially during the colonial period), state policies and overall class dynamics. It is also worth noting, the period since independence from the British rule has been characterised by significant variations across regions and states in the country with respect to important factors influencing their agrarian transitions. Thus, the diverse patterns of rural trajectories, in the wider context of uneven development within the country, have resulted in considerable differences pertaining to the world of work within rural India. Nonetheless, it is possible to flag and reflect on major trends at a high level of generality; an attempt has been made in this article to do so. It highlights the dominant 'stylized facts' at the current juncture, locating it within

* Dr. Praveen Jha, Professor of Economics, School of Social Sciences, Jawaharlal Nehru University. Email: praveenjha2005@gmail.com

** Dr. Manish Kumar, Assistant Professor (Economics), Delhi School of Economics. Email: manish14jnu@gmail.com

the broader structural and policy changes in recent years. We do not intend to underplay extremely important regional and sub-regional patterns pertaining to the world of rural labour; however, our focal concern in this article is to highlight a couple of important issues for rural India in general, without pretending to offer a grand narrative.

At the simplest level, 'rural labour' means a person who mainly lives in rural areas, works largely in 'manual activities' and gets wages in cash, kind or part of the production. We need to emphasise right away that such workers are not confined, with respect to their participation in economic activities, to their villages and part of their earnings, in varying degrees are derived from working in the urban areas. In fact, as is clear from a large number of studies in the recent decades, that there are multiple and growing circuits of labour connecting the rural and the urban, as workers residing in rural India, as indeed almost everywhere in the global south, have had to search for supplementary sources of incomes and livelihoods in urban spaces. We will revert to some of the relevant issues later in this article. Further, it is also worth noting that a large section of 'marginal and small farmers' in India also derive varying degrees of their incomes from selling their labour in multiple activities within their own villages, apart from venturing out of their habitats, to improve their livelihood prospects. Clearly, such factors add considerably to conceptual and empirical challenges with respect to arriving at neat demarcations across occupational identities. Sure enough, given India's caste and class hierarchy, doing manual labour for other people is at the bottom of the work ladder; and all those residing primarily in rural areas, and relying on this 'last resort option' for any length of time, should be considered a rural wage labour. In the next section of the paper, we provide a very brief sketch of the historical antecedents of rural labour in India and flag a couple of important conceptual considerations for better understanding of its context and the prospects. The subsequent section highlights key economic elements of the changing conditions of rural labour in the recent decades, especially during the neoliberal period. As is well-known, the country's macroeconomic policy regimes have witnessed very significant changes during this period, with profound implications for livelihood options and strategies of rural workers. Section four focuses on the last couple of years, i.e., the period since the onset of Covid-19, which has thrown up massive adversities and a variety of challenges for the world of work in general. Of course, for reasons of space our discussion in this paper is confined to a limited range of important issues and our treatment of these remain brief. Nonetheless, we hope that the article provides a couple of insights. Section five concludes the paper by highlighting a couple of major attributes related to rural labour in the country at the current juncture.

2. A Peep into the Historical Context and Some Conceptual Considerations

The world of work in India has been deeply structured by the caste system, which also implied the presence of a large body of property-less workers from

the 'ancient' times (Chanana 1960; Kosambi 1970; Jha 1997; Habib 1983). Several studies provide conclusive evidence of a substantial presence of landless labourers in the rural economy during the immediate pre-colonial and early colonial periods (Chandra 1974; Stokes 1978; Fukazawa 1984; Mukhiya 1977; Ray 1979; Choudhary 1984; Hjejle 1967; Kumar 1984; Shah 1984). The major conclusions drawn from these studies are: first, a high degree of agricultural differentiation; and, second, a significant proportion of landless agricultural labourers in the rural population and the 'substantial extent of pre-capitalist employer-labour relations' rooted in India's caste system, which did not allow access to land to a large section of the population considered 'untouchables'.

The size of landless rural labourers swelled further with the beginning of British Colonial Rule (Patnaik, 1983). Thus, on the eve of Independence, the total workforce in the Indian economy had a large share of property-less labourers, most of whom lived in rural areas. Soon after Independence, the dominant policy discourse in India, as indeed in much of the global South, were heavily influenced by the modernisation paradigms, which claimed that the prospects of going forward rested on a successful structural transition from a low productivity, primarily agrarian economy to a high productivity manufacturing-based economy along with the expansion of the modern tertiary sectors. Several eminent economists such as Nurkse (1953), Kuznets (1966) Clarke (1940), and W. Arthur Lewis (1954), among many others, offered stylized models of economic transformations, which would make the 'modern' sector increasingly prominent in terms of its share in total output as well as its contribution to employment generation; the essential claim was that surplus labour in rural areas would be absorbed in such modernisation trajectories. However, there is overwhelming evidence that for the vast majority of countries in the global South, such a promised trajectory of structural transformation and decent livelihoods have hardly materialised. The rapid growth in output in non-farm sectors has rarely been accompanied by the growth of employment and adequate labour absorption in these countries (Jha 2003). In the case of India, the share of total employment in agriculture declined from 73 per cent in 1950 to around 50 per cent in 2020. However, the decline has been much slower than the corresponding decline in the share of agriculture in GDP from 59 per cent to 15 per cent in the same duration.

We may also note here that parallel to the discourses in heterodox development economics and other similar formulations in social sciences, wedded to the modernisation paradigms, strands within the Marxian political economy traditions tended to echo similar conclusions. This largely revolved around the questions of what the Agrarian Question (AQ) is, and how it should be, or has been, resolved. As it happens, a narrowly conceived obsession with tales of industrialisation, drawing on presumed successes of structural transformation in the present-day 'First world', was taken as the template of success to be emulated

by the countries in the global South. It was not only a narrow rendering trapped within ill-conceived and Eurocentric conceptual formulations but an exercise in myth-making regarding AQ, along with making false claims about agricultural revolutions being the key endogenous source, within European countries, in explaining industrial revolutions/structural transformations, thus obfuscating the massively important role of external primitive accumulation and colonialism. These issues have been discussed at length in some of our earlier works and we will not pursue it any further here (Moyo, Jha and Yeros, 2013; 2015; 2016). An important point to note is: the reduction of classical AQ in the Marxist tradition to the question of industrialisation, as distinct from that of national liberation, in the fullest sense, has inflicted massive challenges to the prospects of potentially progressive economic transformation trajectories, which potentially can assure much better prospects of working people in general. The experience of the *dirigiste* regimes and their limitations with respect to the outcomes on the world of work are powerful testimonies to rethink the narrowly conceived discourses on AQ and its resolution.

Even in the countries with reasonable to impressive performance with respect to modernisation and industrialisation, labour absorption has remained a huge challenge; it would hardly be an exaggeration to claim that the problem of Relative Surplus Population (RSP) or that of the 'reserve army of labour', remains a formidable challenge even in these countries. In most of these countries, an exodus from rural areas acquired greater momentum in their quest of modern structural transformation, but without commensurate absorption of the expelled workforce in industrial employment or other segments, which could claim any semblance of modernisation in a positive sense. Effectively, large segments of labour pushed out of agriculture have sought refuge in a variety of activities. Majority of them have remained insecurely employed, underemployed, or unemployed, often in a state of constant flux moving in and out of jobs, floating between the rural and the urban; generally, this is characterised as the 'informal' world of work, constituting an overwhelming majority of workers in the developing countries. Finally, in this context, we need to note that the transition to the neo-liberal regime, which is characterised, *inter alia*, by accelerated primitive accumulation and 'integration' of the peasantry in the South, in global circuits of accumulation driven by monopoly finance capital, has tended to aggravate problems of mass marginalisation and pauperisation. In short, such a state of affairs only enlarges the RSP and deepens the problem of permanent semi-proletarianisation. Weakening of policy support for rural economies, increasing spatial income inequalities and accelerated primitive accumulation vis-à-vis the peasantry and petty producers in general, which are among the important features of neoliberal trajectories, have resulted in massive outflows of workers from rural areas, much of it in the nature of circular mobility. For the South as a whole, accounting for close to three

billion workforces, approximately a quarter are estimated to be domestic migrant as per the recent estimates of the International Labour Organisation (ILO). As it happens, well-known deficiencies of the standard data systems, result in significant underestimates of workers in the circuits of circulation and seasonal mobilities. We need not get into further details of these issues; suffice it to note that the stock of vulnerable, multitasking, floating workers, across the South, has been on the rise in the recent decades and India is no exception. The above noted conceptual consideration, although extremely brief, may be helpful in comprehending the current juncture.

3. Major Economic Markers at the Current Juncture

The neoliberal model of economic development has created great challenges for labour absorption in the country and has tended to increase the stock of surplus labour. Some of the major underlying drivers for such an outcome are connected with accelerated primitive accumulation, vis-à-vis the petty production, peasant agriculture and a whole host of activities broadly included under informal production, which were earlier protected to a certain extent from the big capital (both foreign and domestic) under Nehruvian Socialism (*dirigiste regimes*) (Patnaik and Patnaik, 2019). It is well documented that during the first four decades after Independence, India's record with respect to addressing the major economic challenges, such as occupational structural transformation, adequate and decent employment generation, and problems of pervasive poverty for the masses, were modest at best. However, since the early 1990s, during the period of so-called economic reforms, challenges of employment (Annexure I) and livelihoods creation have deepened further, given a host of changes in the overall macroeconomic policy regime, both within the domestic as well as the global economy.

On the challenges of labour absorption in contemporary India, as we have argued earlier, there is an excessive dependence on agriculture which accounts for about 50 per cent of the total workforce. It is worth noting that according to recent estimates, agriculture's contribution is about one-sixth of the country's GDP. This overcrowding of workers in agriculture and its 'underemployment' is structured by a high presence of wage workers and a decreasing proportion of people reporting themselves as 'cultivators'. As far as the non-farm sector is concerned, its most important feature (like agriculture) is the extremely high proportion of vulnerable informal employment. Though the non-agricultural sector accounts for about half the workforce, it contributes approximately 80 per cent to the total GDP, with a very small segment of less than 10 per cent of workers, in the organized sector. Of the total employment in the organized sector, almost 65–70 per cent is in the public sector (including public administration and defence services). The unemployment among the youth, in particular among the 'educated', is substantially higher than the overall rate of unemployment" (Jha, 2019b; pp. 10-11).

Table 1
Unemployment Rate (per cent) in India

	1993-94	1999-00	2004-05	2009-10	2011-12	2017-18	2018-19	2019-20
Rural (Male)	1.4	1.7	1.6	1.6	1.7	5.8	5.6	4.5
Rural (Female)	0.8	1.0	1.8	1.6	1.7	3.8	3.5	2.6
Rural (Total)	1.2	1.5	1.7	1.6	1.7	5.3	5.0	4.0
Urban (Male)	4.0	4.5	3.8	2.8	3	7.1	7.1	6.4
Urban (Female)	6.2	5.7	6.9	5.7	5.2	10.8	9.9	8.9
Urban (Total)	4.5	4.7	4.5	3.4	3.4	7.8	7.7	7.0

Source: Reserve Bank of India, Handbook of Statistics of the Indian States and NSS 2019. Periodic Labour Force Survey, 2019.

One of the significant promises with which neoliberal policies ascended in India was adequate and appropriate employment opportunities for the growing workforce. However, as is clear from Table 1, the overall outcome has gone in the opposite direction. It is worth noting here that the massive and growing political outcry on the employment front, especially, in rural India during the first and half decades of economic reforms pushed the government to adopt the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2005, which provided some relief to the most vulnerable segments of the rural population, and has been a lifeline for them. However, the overall employment situation remains very grim. Reasons for poor labour absorption have been analysed in great detail by a large number of scholars working on India (e.g., Patnaik, 2014; Patnaik and Patnaik, 2019; Raveendran and Kannan, 2009; Himanshu, 2011). It is also worth noting that the huge swelling of labour reserves in the country has impacted the quality of employment.

Table 2
Distribution of Workers by Type of Employment and Sector

Sector/Worker	Total Employment (Million)		
	Informal/Unorganised Workers	Formal/Organised Workers	Total Workers
1999-2000 (NSS 55th Round)			
Informal/Unorganised sector	341.3 (99.6)	1.4 (0.4)	342.6 (100.0)
Formal/Organised sector	20.5(37.8)	33.7 (62.2)	54.1 (100.0)
Total	361.7 (91.2)	35.0 (8.8)	396.8 (100.0)
2004-05 (NSS 61st Round)			

Sector/Worker	Total Employment (Million)		
	Informal/Unorganised Workers	Formal/Organised Workers	Total Workers
Informal/Unorganised sector	393.5 (99.6)	1.4 (0.4)	394.9 (100.0)
Formal/Organised sector	29.1 (46.6)	33.4 (53.4)	62.6 (100.0)
Total	422.6 (92.4)	34.9 (7.6)	457.5 (100.0)
2009-10 (NSS 66th Round)			
Informal/Unorganised sector	387.4 (99.4)	2.3 (0.6)	389.8 (100.0)
Formal/Organised sector	39.7 (56.5)	30.6 (43.5)	70.3 (100.0)
Total	427.5 (92.9)	32.6 (7.1)	460.2 (100.0)
2011-12 (NSS 68th Round)			
Informal/Unorganised sector	398.8 (99.6)	1.4 (0.4)	400.2 (100.0)
Formal/Organised sector	48.2 (57.1)	36.3 (42.9)	84.5 (100.0)
Total	447.0 (92.2)	37.7 (7.8)	484.7 (100.0)

Source: 1. NSS 66th and 68th Rounds of Employment-Unemployment Survey. Computed.

2. The figure for 55th and 61st round is adopted from the *Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector, 2007*.

Note: Figures in brackets are percentages.

Table 2 presents the total number of workforce in India in the formal and informal sectors. Apart from a rising number of informal workers, the most worrying fact is – the rise in informal workers in the formal sector, i.e., informalisation of formal sector workers. The informal sector workers (who are deprived of any kind of social security, paid leave, etc.) are extremely vulnerable to any sudden economic shock. Further, even for the most protected category of workers (i.e., formal sector workers), there has been a substantial increase in vulnerability, as is evident from the Periodic Labour Force Survey (2017-18) conducted by the NSSO. The Survey indicated that among the regular wage/salaried employees, 69.2 per cent in the rural areas and 72.4 per cent in the urban areas and a total of 71.1 per cent in the country as a whole, do not have written job contracts (Table 3). The same survey also reveals that 56.2 per cent in the rural areas and 52.8 per cent in the urban areas and 54.2 per cent, at the all India level, regular wage/salaried employees do not have any provision of paid leave; it also notes that, among the regular wage/salaried employees, 52.5 per cent in rural areas, 47.7 per cent in urban areas and 49.6 per cent at all India level do not have any social security benefits.

Table 3
Workers among Regular Wage/Salaried Employees not having Job Contract, Paid Leave and Social Security (Usual Principal and Subsidiary Status)

No Written Job Contract									
Year	Rural			Urban			All		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
2004-05	59.4	56.8	58.9	58.6	61.2	59.1	58.9	59.6	59.1
2009-10	61.1	55.3	60.0	65.1	64.8	65.0	63.7	61.5	63.3
2011-12	65.4	61.9	64.7	64.4	65.9	64.7	64.7	64.6	64.7
2017-18	71.7	58.5	69.2	72.7	71.4	72.4	72.3	66.8	71.1
2018-19	70.4	58.2	67.8	70.3	71.2	70.5	70.3	66.5	69.5
Not Eligible For Paid Leave									
Year	Rural			Urban			All		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
2004-05	47.3	48.7	47.6	44.8	48.0	45.5	45.8	48.3	46.2
2009-10	50.2	47.6	49.7	46.6	44.7	46.3	47.8	45.7	47.4
2011-12	51.7	48.1	51.0	49.5	49.1	49.4	50.2	48.8	50.0
2017-18	58.1	47.9	56.2	53.1	51.8	52.8	55.2	50.4	54.2
2018-19	58.6	49.5	56.7	52.2	51.3	52.0	54.7	50.6	53.8
Not Eligible For Any Social Security Benefit*									
Year	Rural			Urban			All		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
2004-05	55.5	60.8	56.5	51.9	59.6	53.4	53.2	60.0	54.5
2009-10	55.8	61.5	56.9	52.9	53.0	52.9	53.9	56.0	54.2
2011-12	56.8	63.4	58.0	53.5	56.2	54.1	54.7	58.7	55.4
2017-18	51.9	55.1	52.5	47.0	50.1	47.7	49.0	51.8	49.6
2018-19	55.4	57.7	55.9	48.5	52.6	49.4	51.2	54.4	51.9

Source: Periodic Labour Force Survey, 2019-2020.

Note: * For the survey, the social security benefits include PF/pension, gratuity, health care and maternity benefit.

Table 4
Composition of Rural Workforce Percentages

	1983	1987-88	1993-94	1999-2000	2004-05	2009-10	2011-12	2017-18	2018-19	2019-20
Self-employed in agriculture (cultivator)	40.7	37.7	37.8	32.7	35.9	31.9	34.3	37.8	36.6	37.7
Self-employed in non-farm	11.7	12.3	12.7	13.4	15.8	15.5	15.5	14.3	15.1	15.5
Agricultural labour	30.7	30.7	30.3	32.2	25.8	25.6	21	12.1	11.7	11.9
Non-farm labour	6.6	9	8	8	10.9	14.8	13.5	12.9	13.4	12.9
Others	10.3	10.1	11.2	13.7	11.6	12.2	15.7	22.8	23.2	22
Percentage in agriculture	71.4	68.4	68.1	64.9	61.7	57.5	55.3	49.9	48.3	49.6
Percentage wage labour	37.3	39.7	38.3	40.2	36.7	40.4	29	27.2	28.5	28.4

Source: Data adapted from various rounds of the NSS and PLFS.

Table 5
Occupational Status of Rural Workforce in Percentages

YEAR	Rural male			Rural female		
	Self-employed	Regular	Casual	Self-employed	Regular	Casual
1977-78	62.8	10.6	26.6	62.6	2.8	35.1
1983	60.5	10.3	29.2	61.9	2.8	35.3
1987-88	58.6	10.0	31.4	60.8	3.7	35.5
1993-94	57.7	8.3	33.8	58.5	2.8	38.7
1999-2000	55.0	8.8	36.2	57.3	3.1	39.6
2004-05	58.1	9.0	32.9	63.7	3.7	32.6
2007-08	55.4	9.1	35.5	58.3	4.1	37.6
2009-10	53.5	8.5	38.0	55.7	4.4	39.9
2011-12	54.5	10.0	35.5	59.3	5.6	35.1
2017-18	57.8	14.0	28.2	57.7	10.5	31.8
2018-19	57.4	14.2	28.3	59.6	11.0	29.3
2019-20	58.4	13.8	27.8	63.0	9.5	27.5

Source: Data adapted from various rounds of the NSS and PLFS.

The share of agricultural labour households in total rural households which remained stable at around 30 per cent during the 1980s rose to a little over 32 per cent at the end of the 1990s. The share of cultivators in total rural households, which was 37.7 per cent in 1987–88 and remained stable around 37.8 per cent in 1993–94, declined sharply to 32.7 per cent in 1999–2000. The decline in the share of cultivators in total rural households was reflected by the rise in the share of agricultural labour households, self-employed households, and other households. It should be noted here that the share of rural workforce earning their income mainly in the form of agricultural labour has steadily declined and has come down from 21 per cent to 12 per cent between 2011–12 and 2019–20. Reduced demand for labour in several activities as rapid mechanisation of agricultural operations is among the major reasons for decline in the employability of agriculture; hence it is not surprising that for a progressively smaller segment of the rural workforce, agriculture is the main source of wage/income. However, this does not negate the fact that agriculture is an important source of employment in rural areas as about 50 per cent of the total rural workforce is still engaged in agriculture, taking into account the main and subsidiary activities, either as self-employed or wage workers.

Furthermore, increasing challenges of labour absorption have contributed significantly to increased labour mobility. Unfortunately, there are serious data challenges relating to labour migration, which we are not in a position to pursue here. However, it is quite clear that during the period since the early 1990s, labour mobility in search of work has increased very substantially (Census, 2001, 2011; GoI, 2017; NSSO different rounds, Srivastava, 2020). Compression of rural development expenditure, reduced access to land, growing landlessness among marginal and small farmers, increased vulnerabilities of peasant production, etc., which have strong organic connections with neoliberal policies, have contributed to the growing distress in the Indian countryside. One of the starkest indicators of crisis is provided by NSSO estimates, according to which per capita real consumption expenditure in rural India declined by a whopping nine per cent between 2011–12 and 2017–18, unprecedented for any quinquennium since Independence (Jha and Kumar, 2021). This has also contributed to growing mobility in search of work; in short, much of labour migration in contemporary India is driven by distress (Jha et al, 2020).

3.1 Employment Opportunities

Since the early 1990s, sectors such as finance, insurance, real estate and business services have had an annual average growth rate (AAGR) of more than 8 per cent, followed by trade, hotels, transport and communication with an AAGR of more than 7.5 per cent. community, social and personal services had an AAGR of more than 6 per cent; and for agriculture and allied sectors, it was close to 3 per cent. As regards the manufacturing sector, after an improvement in its performance

during the second decade, it slipped back during the third decade; as it happens, the most recent years have been almost dismal for India's manufacturing sector. As is evident from these figures, the GDP growth during the period of reforms has been led by the disproportionately large contribution of the services sector in its incremental growth; the share of the tertiary sector in the incremental growth of the GDP increased from almost 49 per cent in 1991 to about 62 per cent by the first half of the next decade, and subsequently to 72 per cent by 2017 (Jha, 2019a). Over the same period, the contribution of the primary sector in the incremental growth of the GDP witnessed a drastic decline, with that of industry remaining almost stagnant (Jha, 2019a).

Table 6
Average Annual Growth Rate in different decades across different sectors

Decade	Agriculture, forestry & fishing, mining and quarrying	Manufacturing, construction, electricity, gas and water supply	Trade, hotels, transport & communication	Financing, insurance, real estate and business services	Community social & personal services	Gross value added
1990-91 to 2000-01	3.1	5.9	7.7	8.0	6.3	5.7
2001-02 to 2011-12	3.6	8.3	9.7	9.8	6.4	7.6
2012-13 to 2019-20	3.3	6.0	8.0	8.9	7.7	6.6

Source: Economic Survey of India 2019-20, GVA is at factor cost for 1990-91 to 2000-01 and 2001-02 to 2011-12, and at the base price for 2012-13 to 2019-20.

The decline in the share of agriculture in total GDP is much sharper compared to its share in total employment; this implies that the increased share of industry and service sectors in total GDP has not translated into proportionate labour absorption. As is well documented, a major feature of the NEP period in the country has been a very significant agrarian distress due to the policies such as reduction in priority sector credit allocation, cut in subsidies, declining public investment in the primary sector, etc. (Jha, 2019a; Jha & Acharya, 2011; Jha et al. 2020). Similarly, the compression of public investments for the NEP period as a whole and other relevant macroeconomic policies have impacted employment expansion prospects in other sectors, both in rural and urban areas (Chandrasekhar & Ghosh, 2002; Jha, 2016, 2019b; Patnaik & Chandrasekhar, 1995).

Table 7
Share of Public and Private Investment in Agriculture (per cent)

Period	Public	Private
2002-2004	18	82
2004-2009	22	78
2009-2014	14	86
2014-2017	16	84

Source: Agricultural Statistics at a Glance, different years.

Clearly, in terms of employment creation in the rural areas, the entire period since the early 1990s, have recorded poor performance. As argued by Patnaik (2006), the employment elasticity of growth tends to fall sharply with a shift from a *dirigiste* to an open economic regime due to several factors. These include, *inter alia*: (1) the growing dominance of 'finance capital', which stifles the growth of the real sectors; (2) changes in the nature of production processes, which tend to be more capital intensive; and (3) the pursuit of developed country lifestyles by the elites of developing countries, which again shifts the composition of consumption baskets in favour of capital-intensive commodities. The net effect of these phenomena has been a growing divergence between the growth of output and that of employment (Table 8) and, consequently, a large expansion of the reserve army of landless labourers who are forced to adopt multiple strategies for survival.

Table 8
Share of Employment in Different Sectors (per cent)

Year	Agriculture	Industry	Service
1991	62.6	15.7	21.7
1992	62.4	15.7	21.9
1993	62.3	15.6	22.2
1994	62.2	15.4	22.4
1995	61.9	15.4	22.7
1996	61.7	15.3	23.0
1997	61.0	15.8	23.2
1998	60.7	15.9	23.4
1999	60.2	16.1	23.7
2000	59.6	16.3	24.0
2001	59.3	16.3	24.4
2002	58.7	16.6	24.7

Year	Agriculture	Industry	Service
2003	58.2	16.8	25.0
2004	56.7	18.3	25.0
2005	56.0	18.8	25.2
2006	55.2	19.3	25.5
2007	53.9	20.4	25.7
2008	52.6	21.4	26.0
2009	52.4	21.2	26.4
2010	51.5	21.8	26.7
2011	49.0	23.5	27.5
2012	47.0	24.4	28.6
2013	46.4	24.6	29.1
2014	45.8	24.5	29.6
2015	45.7	24.1	30.3
2016	45.1	24.0	30.9
2017	44.1	24.7	31.2
2018	43.3	24.9	31.7
2019	42.4	25.6	32.0

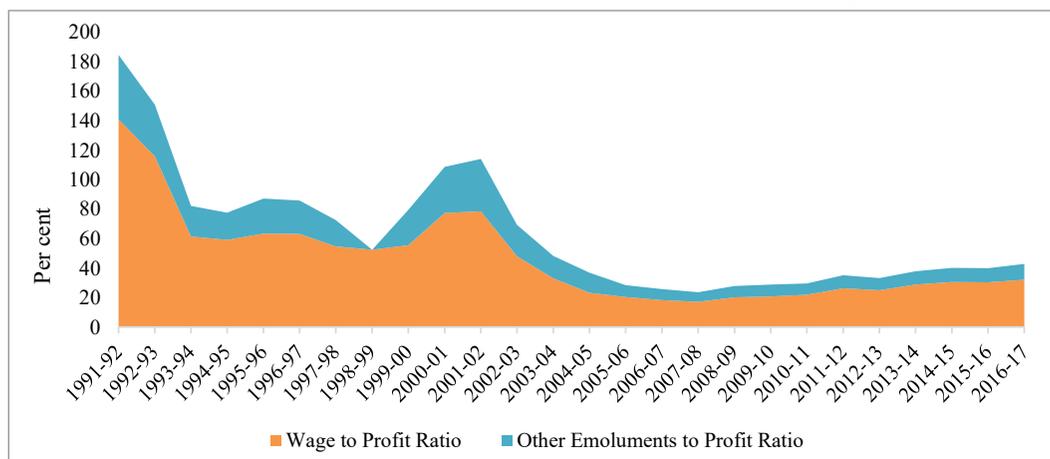
Source: International Labour Organisation Statistics (ILOSTAT).

3.2 Wages and Earnings

The distress and increasing vulnerability of workers has a mirror image in the form of the growing power of the capital, reflected in the compression of the share of wages, enabling capitalists to extract super profits. Even in the most 'protected' segments of the Indian economy, such as organised manufacturing, there has been a continuous squeeze in the share of wages, and the share of profit has been on the rise throughout the neoliberal period (Chandrasekhar & Ghosh, 2002; Jha, 2016). Figure 1 provides a sketch of the distribution of wages and other emoluments for workers as a ratio of profit. The other emoluments include workers' welfare expenses and provident and other funds. In 1991–1992, the wage-to-profit ratio in the organised sector in India stood at 1.41, and by 2016–2017, this ratio decreased to 0.32. Similarly, the other emoluments to the profit ratio declined from 0.44 to 0.11 over the same period. Except for the 3 years from 1999–2000 to 2001–2002, there was a continuous decline in the above-mentioned ratios. As is well acknowledged, based on sound theories and historical experiences, distribution of income from wages to profits typically contributes to a worsening of effective demand and consequently exacerbates a vicious circle of livelihoods and employment. Coming on top of deflationary macroeconomic policies, which is central to the logic of neoliberal capitalism, any significant redistribution away from workers, generally,

tends to hurt macroeconomic outcomes, and India's performance during the last three decades is not an exception in this respect, as noted earlier.

Figure 1
Wage and Other Emoluments to Profit Ratio in Indian Organised Sector



Source: RBI Handbook of Statistics on Indian Economy- Various Years; Originally: Annual Survey of Industries; for data see Annexure II.

The rate of growth of wages and earnings of rural labour between the mid-1950s to the early 1970s was unimpressive. During the second half of the 1970s, by contrast, there was some improvement in the agricultural wage rate. But it is only during the 1980s that the real wage indices for agricultural labour displayed a rising trend in India, for both male and female workers. The annual rate of growth of the real wage in the non-agricultural sector was around 5 per cent for the country as a whole during the 1980s. However, most of the additional jobs created in the non-agricultural sector, including in public works, were mainly casual in nature. Furthermore, the gains through the rise in the real wage of rural workers during this period were partially offset by the decrease in the average number of days of employment of agricultural workers in any given agricultural year (Jha, 2015). However, with the onset of neoliberal economic reforms, real wages for rural workers were subjected to tremendous pressure. In fact, it was this combination of downward pressure on labour absorption as well as wages that created a veritable crisis for rural labour and facilitated employment guarantee in rural India under the MGNREGS, which was enacted in 2005. There is already a large literature (Bhatia and Dreze, 2006; Patnaik, 2021; Narayanan, 2021) and we do not pursue the important issues relating to the programme any further here.

3.3 MGNREGS and Rural Labour

During the period 2004–05 to 2009–10 the growth rate for both agricultural and non-agricultural real wage rates has shown a rising trend. The increase in agricultural

wages amounted to 3.5 per cent for males and 4.9 per cent for females during this period. Similarly, in the non-agricultural sector, these figures were 2.9 per cent and 4.2 per cent, respectively. The prime factor behind this rise was the enactment of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), which set a wage floor, as well as improvement in demand for labour in rural.

However, the potential of MGNREGS has remained neglected by the subsequent governments, especially in recent years. Under the current regime, the processes of social oversight and auditing were progressively weakened, the scheme was bureaucratised, and allowed to be used to serve narrow local political interests. There is also a growing problem of delays in the payment of wages in the scheme. In terms of the overall political narrative, the scheme has been subjected to the typical double-speak of the present government. In 2015, the Prime Minister characterised the MGNREGS as a symbol of failure of previous governments. On the other hand, in 2016, the PM underlined the scheme as “a landmark in our history in removing poverty from the face of the nation”. Although the scheme has been retained, its implementation has been marred by the paucity of funds and delays in the release of allocated funds.

It is worth noting here MGNREG has been a lifeline for a significant section of workers in rural India, and much more so in the context of the COVID-19 pandemic; in fact, many urban migrants returning to their homes across the length and breadth of the country have been queuing up for MGNREGA jobs. Several states had already reached close to the upper bound of projected estimates of employment provisioning, which were made at the beginning of the fiscal year 2020-21. The Union Government then allocated an additional Rs 40 crore, but that was relatively little given the scale of the crisis and demand for MGNREGS jobs (Jha and Kumar, 2021).

4. COVID-19 and Rural Workers

The world of work, which in any case has been full of multiple and growing vulnerabilities throughout the neoliberal era, entered an even more fragile phase during the COVID-19 pandemic. As the incidence of COVID-19 cases started rising during March 2020, a national lockdown was imposed at a very short notice. According to the most recent PLFS estimates, out of about 470 million workers, 245 million were self-employed, 170 million were casual workers, and 107 million were regular workers, with average monthly incomes of Rs. 8000, Rs. 5000, and Rs. 10000 respectively; such figures clearly show the fragile structure and overall vulnerability of the country's workforce. The lockdown had debilitating impacts on the vast majority of the workforce in India. It is worth noting that according to studies based on field reports, even the performance of the agricultural sector may not be anywhere near the official projection. In most of the Indian states, farmers harvest wheat between mid-March and mid-April; this was the time when the government had implemented the first phase of the lockdown. Until April 15, the

movement of agricultural machines like combine harvesters was not allowed. The repair work of agricultural machines was also not possible because of the complete shutdown of economic activities in urban, as well as rural parts of the country. The delay in agricultural operations was not only limited to harvest but also extended to the entire procurement, and when it started, the process was very slow (Rawal et al., 2020). It is quite possible that because of the large-scale disruption in backward and forward linkages, the agricultural sector as a whole was also hit hard.

From a large survey conducted by the Centre for Studying Developing Society (CSDS, 2020) in partnership with the news portal *Gaon Connection*, spread over 179 districts in 20 states and three union territories, canvassed through to face interviews with 25,000 respondents, we get an utterly dismal picture from rural India. The said survey was conducted between 30 May and 16 July, in which 78 per cent rural Indians reported that for them, work had come to a complete standstill. The problem of unemployment was reported to be 'quite serious' or 'very serious', as 60 per cent and 64 per cent of 'skilled' and 'manual' workers, respectively, had no employment. It was also reported that 68 per cent of them were facing a monetary crisis. It is hardly surprising that a substantial segment of the respondents incurred indebtedness or were forced to sell their assets and belongings to get by. A large number of them had to confront significant levels of food insecurity: in fact, one in every eight households reported a 'frequent lack of food for the entire day.' Among the respondents, there were 'return migrants' from rural to urban India as well; 22 per cent of them reported walking back home, and 42 per cent of them had taken more than 3 days to complete their journey. Almost one-third of the surveyed migrants were forced to undertake the return journey as they had run out of money and no support was in sight.

The survey of almost 4000 households, by Azim Premji University (APU, 2020) records that half of the salaried workers witnessed a reduction or their wages were not paid. Nearly 75 per cent of the respondents had money only to buy one week's essential items, at max. A survey conducted by Gramvaani (2020) of rural areas during the second week of April attempted to understand the distribution of public schemes in response to COVID-19. In the said survey, it was found that 88 per cent in Bihar, 63 per cent in Jharkhand and 69 per cent in Madhya Pradesh did not get ration from the government. The same survey further shows that due to the lockdown of economic activities, there was a delay in payment of wages including MGNREGA wages. Two weeks before the day of the survey, 77 per cent respondents in Bihar, 67 per cent in Jharkhand and 71 per cent in Madhya Pradesh had not received their allowances under MGNREGA. The Gramvaani survey noted that 71 per cent of the respondents in Bihar, 73 per cent of the respondents in Jharkhand and 67 per cent of the respondents in Madhya Pradesh suffered an immediate loss of income after the lockdown. All these numbers are very powerful indicators of the utterly fragile nature of the world of work for an overwhelming

majority of labouring women and men in the country, both in urban and rural India.

5. Concluding Remarks

This article has provided a brief mapping of the major trends and processes pertaining to the world of work in contemporary India, with a focus on rural labour. Needless to emphasise again that the relevant trend and outcomes are organically entwined with the overall macro policy regime. Rural labour as well as its finer taxonomic occupational sub-categorisation is not an easy task due to the methodological challenges, both on grounds of theory and empirics. However, we know that it's a very large segment of the country's working masses, anywhere between one-third to half of the total rural workforce. We have suggested that a typical rural labourer is best understood as a worker who engages in multitasking, not only in rural but also urban areas, although she/he primarily is a resident in a village. Given the data challenges, getting reliable estimates of their 'primary' activity (either in terms of time or income criterion) remains a challenge. For well-known historical reasons, a very large segment of rural labourers come from lower rungs of India's infamous caste system and substantial segments among them continue to be landless. In short, the world of rural labour has powerful imprints of the caste system, despite some gains on account of political struggles embedded in the broader emancipatory processes since independence.

However, prospects of decent livelihoods for rural labour have confronted serious challenges during recent years with the ascendancy of the neoliberal macroeconomic policy regime since the early 1990s. Even the limited gains achieved during the *dirigiste* era have come under tremendous attacks due to the contractionary fiscal and monetary policies. Thus, it is hardly surprising that various well-being indicators of rural labourers such as employment availability, real wages, consumption indicators, incidence of indebtedness, etc. have come under serious stress. In our assessment, significant restructuring of the overarching policy trajectory, in particular, substantive disengagement from neo-liberalism is absolutely necessary, for any significant improvements in the world of work. Furthermore, as stated right at the outset, a serious rethink on the overall strategy for structural transformation, of which a revisit to the Agrarian Question along the lines hinted in Section 2, has to be the central component, for working people to have any positive prospects in the foreseeable future.

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Annexure I: Sector-wise growth rate of employment, 1980–2016 (as percentage of total employment).

KLEMS Industry Description	1981–1982	1989 – 1990	1999 – 2000	2009 – 2010	2010 – 2011	2011–2012	2012–2013	2013–2014	2014–2015	2015–2016
Agriculture, hunting, forestry and fishing	1.8	2.17	0.04	-1.99	-1.96	-1.92	-3.47	-0.21	-3.5	-3.62
Mining and quarrying	6.54	1.88	0.12	-0.26	-0.22	-0.17	-1.69	1.58	-1.69	-1.8
Food products, beverages and tobacco	3.1	3.8	2.01	1.48	1.51	1.53	-0.02	3.23	-0.07	-0.2
Textiles, textile products, leather and footwear	3.04	-1.9	0.53	-3.18	1.17	-1.76	-2.79	0.82	-2.54	-2.31
Wood and products of wood	3.32	1.52	5.42	-4.37	-4.34	-4.3	-5.92	-2.66	-5.94	-6.06
Pulp, paper, paper products, printing and publishing	2.81	0.2	4.72	-0.89	-0.83	-0.77	-2.27	1.02	-2.23	-2.31
Coke, refined petroleum products and nuclear fuel	3.15	2.01	-2.12	7.59	-7.09	-4.12	-1.51	1.72	-1.6	-1.76
Chemicals and chemical products	2.92	4.66	1.08	-0.04	0.32	0.66	-0.6	2.91	-0.15	-0.08
Rubber and plastic products	2.95	8.98	2.13	5.33	5.41	5.49	3.85	7.16	3.92	3.85
Other non-metallic mineral products	3.26	1.02	1.11	1.63	1.73	1.82	0.32	3.63	0.38	0.29
Basic metals and fabricated metal products	3.11	0.87	4.06	2.84	2.93	3.03	1.52	4.87	1.69	1.69
Machinery, nec.	3.24	6.26	7.77	4.61	4.73	4.85	3.29	6.64	3.46	3.46
Electrical and optical equipment	3.05	4.29	2.23	24.61	-7.01	15.83	10.27	12.23	10.06	9.14
Transport equipment	0.39	-7.26	-0.47	14.9	14.68	9.66	-3.73	2.88	-0.45	-0.61
Manufacturing, nec; recycling	3.15	2.26	0.56	3.89	3.92	3.94	2.33	5.58	2.28	2.15
Electricity, gas and water supply	4.28	1.98	0.7	5.9	0.11	0	1.69	4.97	1.72	1.63
Construction	6.96	2.16	3.65	9.42	9.59	9.76	7.91	11.31	8.15	8.17
Trade	5.04	3.72	4.09	1.32	1.34	1.35	-0.21	3.04	-0.27	-0.41

KLEMS Industry Description	1981-1982	1989 - 1990	1999 - 2000	2009 - 2010	2010 - 2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Hotels and restaurants	4.99	1.44	5.36	4.02	4.06	4.09	2.47	5.73	2.43	2.3
Transport and storage	9.3	3.21	4.89	2.44	2.44	2.44	0.85	4.08	0.76	0.6
Post and telecommunication	9.91	6.04	8.35	-1.62	-1.52	-1.43	-2.92	0.39	-2.86	-2.95
Financial services	9.29	6.95	0.19	5.4	5.41	5.42	3.72	6.95	3.64	3.49
Business service	9.13	6.72	10.8	9.05	9.08	9.11	7.19	10.45	7.16	7.03
Public administration and defence; compulsory social security	0.07	2.03	0.7	0.06	1.39	2.27	-2.54	0.69	-2.63	-2.79
Education	1.14	4.79	4.11	3.13	3.13	3.13	1.52	4.74	1.42	1.27
Health and social work	0.64	2.32	5.1	3.4	3.45	3.49	1.91	5.18	1.9	1.79
Other services	1.16	7.18	1.99	3.15	3.32	3.49	2.03	5.43	2.28	2.3
Total economy	2.42	2.4	1.28	0.61	0.81	1.02	-0.51	2.94	-0.16	-0.08

Source: Jha, 2019b.

Annexure II: Industry Characteristics (Nominal INR Crores)

Year	Wages to workers	Provident & other funds	Workmen & staff welfare expenses	Profits
1991-92	13583	2364	1854	9635
1992-93	16831	2843	2283	14537
1993-94	17597	3378	2550	28599
1994-95	22019	3777	3064	37208
1995-96	27970	4712	5759	44047
1996-97	26555	5378	4092	41978
1997-98	29782	9738	0	54456
1998-99	24826	0	0	47306
1999-00	26304	6832	4556	47335
2000-01	27671	6651	4488	35699
2001-02	27438	7807	4583	34884
2002-03	29689	8153	5031	61853
2003-04	30478	8784	5334	92366
2004-05	33635	13907	5831	144602
2005-06	37664	8573	6123	184463

Year	Wages to workers	Provident & other funds	Workmen & staff welfare expenses	Profits
2006-07	44291	10300	7534	241425
2007-08	51030	11065	8516	297576
2008-09	59772	12841	10054	296991
2009-10	68941	14940	11914	332931
2010-11	85646	16339	13266	390162
2011-12	100019	18137	15352	379116
2012-13	110896	20144	16822	444263
2013-14	126496	21046	18494	439566
2014-15	140485	24681	19904	460283
2015-16	156001	26397	22312	513193
2016-17	173537	30503	27195	539353

Source: RBI Handbook of Statistics on Indian Economy- Various Years; Originally: Annual Survey of Industries.

Supporting Women's Employment in India: Strategies for a Way Forward

Sakshi Khurana*

The low and declining Female Labour Force Participation Rate (FLFP) in India has been a concern for policymakers that becomes a factor in limiting the potential for growth. Labour Force Participation is also an important indicator to understand women's economic rights, access to assets, the ability to exercise their agency and decision-making in the domestic and public spheres. A discussion on the issues around women's labour force participation, the constraints they face, and strategies or policy and programme interventions that can aid women's employment is also significant because female labour force participation is a key to promoting social inclusion and achieving Sustainable Development Goals (SDGs). In this context, this paper analyses some of the constraints, as highlighted by literature, that women face in taking up paid employment and how their ability to continue in employment or the quality of their employment may have been affected by the Covid-19 outbreak that impacted the labour market and also placed greater pressures on women's time and responsibilities. The paper then goes on to outline strategies that can positively impact women's ability to build skills and assets to make them employable and support them in their decisions to participate in paid employment.

Keywords: *Female Labour Force Participation, Care Work, Skill Training, Social Protection & Social Inclusion*

1. Introduction

Globally, women are estimated to have lower chances of being employed than men and are more likely to be at the bottom of the economic ladder. Labour Force Participation (LFP) is an important indicator for understanding the utilization of human capital in a country. The low and declining Female Labour Force Participation Rate (FLFP) in India has been a concern for policymakers that becomes a factor in limiting the potential for growth (IMF 2018, PIB 2018, 2021a). Labour Force Participation is also an important indicator to understand women's economic rights, access to assets, the ability to exercise their agency and decision-making in the domestic and public spheres.

A discussion on the issues around women's labour force participation, the constraints they face, and strategies or policy and programme interventions that can aid women's employment is also significant because female labour force participation is a key to promoting inclusive growth and achieving the Sustainable Development Goals (SDGs), particularly SDG 5 on Gender Equality and Empowering all Women and Girls. It is also pointed out that beyond participation rates, policymakers need

* Dr. Sakshi Khurana works at NITI Aayog as Consultant, Skill Development, Labour & Employment. Views expressed in the paper are personal. Email: sakshi.khurana@gov.in

to focus on improving women's access to quality employment (Verick 2018). In this context, this paper analyses some of the constraints, as highlighted by literature, that women face in taking up paid employment and how their ability to continue in employment or the quality of their employment may have been affected by the Covid-19 outbreak that impacted the labour market and also placed greater pressures on women's time and responsibilities. The paper then goes on to outline strategies that can positively impact women's ability to build skills and assets to make them employable and support them in their decisions to participate in paid employment.

2. Factors that Constraint Women's Labour Force Participation

Female Labour Force Participation (FLFP) is a global challenge with the global labour force participation being close to 49% for women and 75% for men (ILO 2017). Female labour force participation in India has remained low, moving between 16% to 23% in the last few years or decades. It is the lowest among the BRICS countries and also lower than some of its neighbours in South Asia such as Sri Lanka, Nepal, and Bangladesh.¹

It is argued that the relationship between female labour force participation and economic development is far more complex than often portrayed in both the academic literature and policy debates. Trends in female labour force participation do not conform consistently with the notion of a U-shaped relationship with GDP (Verick 2018). Studies have indicated that the participation of women in the labour market in India is the outcome of various economic and social factors such as the pattern of growth, change in household income, education attainment, and social norms (Klasen & Pieters 2012, Verick 2018, Desai & Joshi 2019). Social and household dynamics continue to govern the intra-household division of labour and in turn, women's choices of paid work, particularly when they do not have access to childcare support (Khurana, 2015, 2020).

Across the world, women spend more time on domestic chores and care work than men. In India, the time spent by women every day on unpaid care and domestic work is almost 10 times more than that of men. ILO's (2018) Report on '*Care work and care jobs for the future of decent work: Key findings in Asia and the Pacific*' notes that while rural and urban women spend 297 and 312 minutes, respectively, per day, rural and urban men spend 32 and 29 minutes a day, respectively on unpaid care and domestic work (ILO 2018). Unpaid care work has been identified as a major obstacle for women in accessing and remaining in the labour market and their choices of paid employment are often dependent on their domestic and care responsibilities. Responsibilities of care and unpaid work may push women out of the labour force which not only affects their financial status but also reduces their

¹ For details on global comparisons of female labour force participation, see (World Development Indicators | DataBank <https://databank.worldbank.org>)

opportunities for pursuing higher education and skill development, affecting their prospects for upward mobility in the future.

3. Women's Participation in the Labour force and Challenges Posed by Covid-19

Women have played a crucial role on the front lines of the COVID-19 crisis, making up a very large proportion of essential workers in India and across the world (ORF 2020). Reports, however, also suggest that worldwide and across all regions and income groups, the pandemic has affected women's labour market opportunities more adversely than that of men (UN Women 2020). Women who are poor and marginalized face an even greater risk everywhere of COVID-19 transmission and fatalities, loss of livelihood, and increased violence (ibid). It is also argued that the COVID-19 economic downturn is different from previous global economic crises as sectors overexposed to the collapse in economic activity are also the ones with a sizeable share of female employment (ILO 2020).

The ILO has rated four sectors as being at high risk of severe COVID-19 impact in terms of job losses and a decline in working hours viz. accommodation and food services; real estate, business, and administrative activities manufacturing; and the wholesale/retail trade. In 2020, 527 million women, representing 41 per cent of total female employment, were employed in these sectors, compared to 35 per cent of total male employment. This indicates that women's employment is likely to be hit more severely than men's by the Covid-19 outbreak (ILO 2020). According to estimates from UN Women (2020), women are overrepresented in industries such as food service, retail, and entertainment – 40 per cent of all employed women – 510 million women globally – work in hard-hit sectors, compared to 36.6 per cent of employed men.

Within some of these sectors, where informal employment is common, even before the COVID-19 outbreak, workers were already subject to low pay, poor working conditions, and lacked social protection (pension, healthcare, unemployment insurance) (UN Women 2020, ILO 2021). Globally, 58 per cent of employed women work in informal employment, and estimates suggest that during the first month of the pandemic, informal workers globally lost an average of 60 per cent of their income (UN Women 2020). Challenges in the labour market created by the pandemic put women workers at greater risk of being laid off, seeing a significant contraction of their working hours and/or experiencing a further deterioration in their working conditions. Migrant workers, ethnic and racial minorities, older persons, and those with disabilities and living with HIV and AIDS have also seen a deterioration in the quality of their employment (ILO 2021). The ILO (2021) Brief, 'Building Forward Fairer: Women's rights to work and at work at the core of the COVID-19 recovery,' provides an outlook of where women stand in the labour market after more than a year into the COVID-19 outbreak, estimates that only 43.2 per cent of the world's working-age women were in employment in 2021,

compared to 68.6 per cent of working-age men. As schools and other educational institutions closed down to control the spread of the pandemic, women were much more likely to drop out of the labour force than men to provide at-home supervision and care for children. This has further affected the gender gaps in labour force participation rates (ILO 2021, UN Women 2020).

Studies in India too, found that women's employment was more adversely affected as compared to men due to the effects of the Covid-19 pandemic even as a large number of women continue to be on the frontlines in the fight against the pandemic. In India, women make up a significant proportion of all healthcare workers and more than 80 per cent of nurses and midwives (UN Women 2020). Women engaged in employment in the informal sector such as construction and paid domestic work, street vending suffered adverse impacts on their employment and incomes (Deshpande's 2020; Desai et al 2020; Chiplunkar et al 2020; IWWAGE 2021; WEF 2021). A study by ISST (2021) found that while home-based workers who are part of cooperatives and producer companies received some work during and after the lockdown, individual home-based workers were unable to join online platforms to sell their products or shift to other income-generating work. Women's participation in paid employment affects their economic status, financial independence, bargaining power, and decision-making within the household (Khurana, 2017, 2020; Chauhan 2021). A change in women's economic status is further compounded by the increased demands on women to provide unpaid care to the sick, the elderly, and young children during the period of the health emergency and several waves of the infection which we have seen over the past two years.

The challenges that women face in participating in paid employment, which may, in many cases, have been further exacerbated by the COVID-19 outbreak, call for concerted strategies from different stakeholders and consistent efforts that can aid and support women's employment.

4. Strategies for Promoting Women's Employment

India's low FLFP despite increasing levels of education and declining fertility rates is seen as a worrying trend (NITI Aayog 2018). The importance of addressing discrimination and promoting good quality jobs, while enhancing women's labour force participation is recognized in a number of national documents such as 'India: Three-Year Action Agenda (2017-18 to 2019-20)' and the 'Strategy for New India @ 75.' Increasing female labour force participation to at least 30 per cent by 2022-2023 has been included as one of the objectives in 'Strategy for New India @75 (NITI Aayog 2018).' The G20 Leaders' Declaration of which India is a member has in its meetings held in recent years (2020, 2021) reaffirmed the members' commitment towards women's empowerment and their access to decent jobs. A set of actionable strategies categorized as those focused on (I) Enabling Better Access to Higher Education, Skill Training & other Assets for Women and (II)

Measures towards Social Protection and Inclusion are outlined below that can have a positive impact on women's ability to take up and find support in continuing with their employment.

(I) Enabling Better Access to Higher Education, Skill Training & other Assets

Women and girls' access to quality education (beyond secondary) and training is critical to improve their employment outcomes (Verick 2018). Enabling women to acquire both physical assets (through credit facilities, revolving funds, etc.) and employable skills which they can tap for income-generating opportunities is crucial to enhancing their labour force participation. Suggested measures for governments, training partners, investment agencies, Civil society Organizations, and Self-Help Groups are discussed below.

- i. Promoting Higher Education and Skills Training for Women:* A greater thrust needs to be given to higher education and skills training for women that can enhance their employability in the labour market. Women and their families need to be motivated to take up higher education through incentives such as scholarships as well as transport and lodging facilities. Skill training through online and digital mode needs to be promoted to ensure access during times of the COVID-19 outbreak. Online and digital mode of skill training may also be particularly beneficial to women and girls who face constraints to their physical mobility due to social norms, domestic responsibilities, or concerns regarding their safety. As has been documented by research (Khurana 2020), women's access to education and training opportunities, in turn, enables them to overcome barriers of socio-cultural norms to access better income-earning opportunities.
- ii. Encourage Apprenticeships for Enhancing Employability:* On-the-job training through Dual System of Training and apprenticeship programmes need to be well-integrated in skill training and higher education so as to foster an industry-ready workforce. Employers could be incentivized to engage more women as apprentices with higher stipend support for engaging women and girls as apprentices. Skilled women candidates also need to be encouraged to participate in national and international competitions to be able to inspire other women and girls. Campaigns to popularize these women role models through social media and interactive events would play a significant part.
- iii. Skilling of Girls and Women in New and Emerging Sectors:* A large part of vocational skills in India are passed on through informal apprenticeships, typically, from a male master craftsperson to a younger male apprentice. This gender bias excludes girls who are led to acquire skills (embroidery, stitching, bindi, and bangle-making) only through female social networks.

Such training, though vital for the transmission of traditional skills that often involve intricate workmanship and arduous labour, usually leads to informal employment which may be irregular, low paid, and lacking in social security or employment benefits. When they opt for formal skill training, women and girls often end up pursuing courses like beauty and wellness, fashion design, tailoring, etc. that do not always fetch higher incomes due to excessive supply of workers vis-à-vis the demand in these sectors (Khurana 2019).

The present policy focus encourages skill development planning at the District and State-level. State Skill Development Missions, District Skill Committees, and Training Providers while planning skill courses for the youth and re-skilling options for the workforce need to take into consideration the emerging demand in sectors like food products, mobile phones, and other telecom products, automobiles, pharmaceuticals, high-efficiency solar PV modules, advance chemistry cell battery manufacturing, etc., many of which are being encouraged under the Production-Linked Incentive (PLI) Scheme and are bound to see greater investments. Skill training of women in new age job roles aligned to Industry 4.0 like those in Artificial Intelligence, 3D printing, Data Analytics, etc. also needs to be encouraged.

- iv. ***Encouraging Traditional Skills:*** Along with women's skill training in new and emerging areas, the transmission of traditional skills such as embroidery, weaving, food processing, etc. need to be continued to be encouraged. Women need to be supported with better avenues for marketing and brand building so that such work and craftsmanship receives better economic returns. Recognition of Prior Learning (RPL) programme that awards certificates, recognizing existing skills needs to be encouraged all the more for women practicing traditional arts and crafts. Women craftsperson's participation in World Skills competitions and other national/international events will serve as a great encouragement to them and help in providing much needed exposure to their skills and talent.
- v. ***Promoting Digital Education for Women & Girls:*** Due to socio-cultural reasons, more women than men are deprived of access to the internet, smartphones, and digital literacy. According to the GSMA Mobile Gender Gap Report 2021, only 25 per cent of women owned smartphones compared to 41 per cent of men in India in the year 2020. While these figures represent a considerable increase from the previous year when only 14 per cent of women compared to 37 per cent of men owned a smartphone, the difference of ownership between men and women

still remains stark (GSMA 2021). This may prevent women and girls from obtaining access to skill training and employment opportunities, particularly in technology-enabled sectors. Thus, policy initiatives that promote access to digital education and the internet for women are critical in providing equal opportunities to women. Schemes like PMGDISHA for imparting digital literacy to rural citizens can be instrumental in enabling rural women to learn digital skills. Policy and programme interventions in rural areas can focus on empowering women through ensuring their access to the internet and digital skills. Central and State Governments, Civil Society Organizations, and industry players can work on implementing programmes with well-defined outcomes for women's digital access and mentoring them to take up employment opportunities in tech-based sectors.

- vi. Facilitating Business & Entrepreneurship for Women:* Initiatives supporting women's businesses and co-operatives need to be strengthened, particularly in rural areas. Women have been significant beneficiaries of schemes like Pradhan Mantri Mudra Yojana (PMMY) (PIB 2021). Initial institutional lending with easy terms to women's ventures and co-operatives needs to be complemented with lending through fintech - technology platforms offering easy access to financial services. Along with enhanced access to institutional credit, budding women entrepreneurs need to be supported with assistance for marketing, improving the business through optimizing costs, use of new technology, branding of the product, improving and upgrading of product quality and ensuring business sustainability.

(II) Measures Towards Social Protection and Inclusion

Understanding the various challenges that women face in making a choice to engage in employment indicate the need for a set of measures that support them in taking care of their normative responsibilities of household and care work and policies that can support them through the various life-stages of pregnancy, childbirth, child-rearing, illness, unemployment and so on. Such measures discussed below need to emanate from Central, State, and local governments, community, and civil society organizations.

- i. Employment Generation Programmes in Rural Areas:* Studies have also indicated that public policies such as MGNREGS that enhance work opportunities for women lead to their increased participation in the workforce (Desai & Joshi 2019). The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA), recognized as the largest employment guarantee programme in the world (World Bank

2015) mandates that at least one-third of the jobs generated under the scheme (MGNREGS) should be given to women (PIB 2021). MGNREGA has been recognised to have played a vital role as a safety net in rural areas, also at the time of the COVID-19 outbreak (Azim Premji University 2021). In the current financial year 2021-22 (as of 05.01.2022), the percentage of participation of women in MGNREGS, out of total person-days, generated is 54.25 %. Under the Deendayal Anyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) Revolving Fund and Community Investment Fund is given to women Self Help Groups (PIB 2021). Such initiatives have implications for employment generation and income enhancing opportunities for women and need to be expanded to benefit more and more women through greater grassroots mobilization with collaborative efforts of local governments, Self-Help Groups, and lending institutions.

ii. Policy Initiatives for Incentivising Employers for Engaging more Women:

Schemes like the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) and Aatmanirbhar Bharat Rozgar Yojna (ABRY) Scheme launched in 2016 and October 2020, respectively aim to incentivize employers for recruiting new workers with the Government paying the employers' Employees' Provident Fund (EPF) contribution for these workers. ABRPY has benefitted 5.88 lakh women out of the total 22 lakh beneficiaries until 12th July 2021 and earlier, PMRPY has benefitted 26.05 lakh women out of the total 1.21 crore beneficiaries registered with the scheme (PIB 2021a). Such incentives offered to employers then have the potential to encourage them to engage new workers on their payroll. Similar schemes or provisions may be designed that can encourage employers to engage more women on their payrolls.

iii. Improving Safety, Health, Privacy and Transport at Learning Institutions & Workplaces:

The United Nations Children's Fund (UNICEF) and World Health Organization (WHO) Global Baseline Report 2018 found that between 2000 and 2016, there was a sharp decline in India in the proportion of schools without any sanitation facility. Research using administrative school-level data has found that setting up of sex-specific latrines in schools led to an increase in female enrolment (Anjali 2017).

Studies have also indicated that public policies such as improvement in transportation facilities lead to women's increased participation in the workforce (Desai & Joshi 2019). Increased access by paved or unpaved roads and frequent bus services increases the ability of both men and women to participate in non-agricultural employment. The effect of road access on non-farm employment (relative to not working) is found to be stronger among women than among men (Lei, Desai & Vanneman 2019).

Improved transportation infrastructure has a stronger positive effect on women's non-farm employment in communities with more egalitarian gender norms. Improving basic infrastructure, especially safe water, sanitation, health, and energy for all in urban and rural areas can result in reducing women's time spent on unpaid care and domestic work, which may translate into greater participation of women in the labour market.

The Central Government implements the scheme of Working Women Hostels for providing safe accommodation to working women (PIB 2021). Such initiatives need to be expanded wherein safe accommodation facilities are created for working women by Central and State governments and through Public-Private partnerships with more private investments in such facilities.

- iv. Setting-up of More Quality Child Care Facilities:* More and better-quality childcare services with longer functioning hours and better safety provisions need to be set up. Investment in the setting-up of childcare services needs to be encouraged. Childcare facilities through collaborative and sharing models in office complexes and by industry associations in industrial corridors need to be set up. Such initiatives can significantly support women in managing their care responsibilities, enabling them to devote sufficient time to paid employment. The Maternity Benefit (Amendment) Act, 2017 and the Social Security, Code 2020 which is to be operationalized provide for mandatory crèche facility in establishments with 50 or more employees. Implementation of these legal provisions in some private workplaces is inadequate and employers need to be sensitised through awareness campaigns and collaborations between private firms, civil society organization, and investing agencies that can promote the setting-up of childcare facilities.
- v. Work-life Balance Policies at the Workplace:* Along with investments in childcare facilities, investments in care leave policies (e.g., maternity, paternity and parental leave) also need to be promoted to help working parents combine paid work and family responsibilities, while encouraging a more even intra-household division of labour.

The Maternity Benefit (Amendment) Act, 2017 and the Social Security, Code 2020 which is to be operationalized entitle a woman to maternity benefit for a period of 26 weeks. Workplace policy measures that ensure provisions of maternity leave/benefit, parental leave, flexible hours, part-time work, etc. can help in supporting working individuals, particularly, women, enabling their better work participation.

Effective measures towards helping women build their assets and ensuring social protection can have positive implications for women,

who form a significant part of the potential and existing workforce and India's demographic dividend. Enabling women to build up their skills, have greater access to micro-credit, finance and digital technologies can have significant positive outcomes for their participation in the labour force. Governments, Skill Training Partners, Private firms and & Industry Associations as well as Civil Society Organizations, – all need to come together to create enabling measures for women.

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Sustainable Urbanisation in India: The Informal Sector Perspective

Arup Mitra*

For assessing the quality of urbanization this paper based on secondary data tries to examine the nature of relationship among urbanisation, migration and informal sector employment in India. Findings suggest that the informal sector also tends to attract migrants and urbanisation with its positive spill-over effects reduce both rural and urban poverty. The services sector has been growing rapidly and it has emerged as the engine of growth almost replacing the industrial sector. However, a wide range of low income jobs it comprises render many urban households to precarity. Urban households in an attempt to reduce their cost of living, often compromise with basic amenities and cooking fuel. A very significant percentage of the households do not have private sanitation facility: they either depend on public latrines or pursue open defecation. An overwhelmingly large proportion of the urban households, access materials for cooking that are not environment friendly. As a result, many cities and towns do not unravel signs of sustainability, and the overall quality of urbanisation seems to be poor in the Indian context.

Keywords: *Urban, Informal Sector Employment, Services, Deprivation, City Size*

1. Introduction

Can urbanization have growth and development spill-overs so that rural and urban livelihood opportunities are created in the process and poverty is reduced significantly? This is a key question that has been bothering the researchers as well as the policy makers for long. Agglomeration economies are supposed to contribute to productivity growth and levels of living significantly. Productivity growth may reduce the input utilization for the same amount of production to take place but that happens only at the enterprise level. In order to take advantage of the agglomeration benefits, more firms flow into the city space which then due to the scale effect creates more job opportunities. In the absence of adequate industrialization of the workforce, the informal sector is said to grow rapidly and this being a repository of residual employment, migrants do not benefit significantly, therefore rural poverty gets transferred to its urban counterpart (Dandekar and Rath, 1971). However, an alternative view is that even the informal sector holds prospects for upward mobility and thus, urbanization is associated with a decline in poverty. Hence, whether urbanization is sustainable (or not) is an empirical question that needs to be investigated in the context of a given country. The UN definition of sustainability is very wide. Sustainable urban development is considered to be the way forward for cities to mitigate climate change. Integrated urban places are “designed to bring people, activities, buildings, and public spaces together, with

* Dr. Arup Mitra, Professor, Institute of Economic Growth, Delhi. Email : arupmitra7@gmail.com

easy walking and cycling connection between them and excellent transit service to the rest of the city.”¹ The UN-HABITAT views sustainability more from the point of view of environmental issues. It is suggested that the demographic and economic changes have propelled cities and urban centres to become the principal habitat of humankind and at the same time, the cities are increasingly the drivers of global prosperity. However the planet’s resources are fast depleting and hence, ways will have to emerge to achieve economic and socially equitable growth without further cost to the environment. The solution partly lies in how cities are planned, governed, and provide services to their citizens as poorly managed urbanization can be detrimental to sustainable development. So, with the growing global population, efforts will have to be made to create jobs, reduce ecological footprint, and improve quality of life in a holistic sense. On the whole, if sustainable urbanization can be prioritized it can eventually address many critical development challenges related to energy, water consumption and production, biodiversity, disaster preparedness and climate change adaptation.

In the present paper, we focus on a very specific aspect of this larger issue. Whether urbanization is able to contribute to productive employment creation and poverty reduction is a key question. The hypothesis is that with a residual absorption in low productivity activities and meagre earnings households are forced to reside in unhygienic and inhuman conditions which have a strong spill-over effect on urban environment and health. The rest of the paper is structured as follows. Section 2 reflects on some of the existing studies on the informal sector and poverty, and Section 3 makes an attempt to empirically establish the links. Evidence is also presented to pinpoint the lack of basic amenities in the slums which house the informal sector workers. Continuing in the similar lines Section 4 examines the relationship between city size and the deprivation index which is constructed on the basis of poor housing, inadequate basic amenities and low levels of assets (as a proxy for income). Though the agglomeration benefits are expected to raise the productivity and wage levels in large cities and reduce the deprivation, it is nonetheless evident as the excess supplies of labour prevail. Further, the other urban areas of smaller sizes are characterized by a significant presence of deprivation, on the whole, reflecting on the low quality of urbanization which challenges the sustainability issue. Section 5 reflects on the sustainability issue.

2. Dominance of the Informal Sector: Existing Studies

First of all, the dominance of the informal sector in the urban labour market is overwhelmingly evident. In the Periodic Labour Force Survey (2017-18), for persons

¹ https://www.google.com/search?q=sustainable+urbanisation&rlz=1C1GGRV_enIN896IN896&oq=sustainable+urbanisation&aqs=chrome..69i57j0i13i457j0i1316.7931j0j15&sourceid=chrome&ie=UTF-8

usually employed in non-agriculture and AGEGC² sectors, information was collected regarding the types of enterprises in which they worked. Unincorporated enterprises owned by households, (i.e., proprietary and partnership enterprises, including informal producers' cooperatives) are largely considered as informal sector enterprises by the Government department³. This data once again reiterates the vulnerability of a predominant segment of the labour force in India. The share of the informal sector is estimated at 68.4 per cent among workers engaged as per the usual status (principal and subsidiary status) in the AGEGC and non-agriculture sectors: gender wise figures for this share being 71.1 and 54.8 per cent for male and female workers respectively. Further, among regular wage/salaried employees in non-agricultural activities, 71.1 per cent had no written job contract - 72.3 per cent among males and 66.8 per cent among females. Among regular wage/salaried employees in the non-agricultural activities, 54.2 per cent were not eligible for paid leave - 55.2 per cent among males and 50.4 per cent among females. Among regular wage/salaried employees in non-agricultural activities, 49.6 per cent were not eligible for any social security benefit - 49 per cent among males and 51.8 per cent among females. These figures reflect on the vulnerability of a large percentage of the workforce in the Indian labour market.

Most of the agricultural sector is located within the arena of the informal sector. But other non-agricultural activities also comprise a large informal segment. Skill and educational level of the individuals determine if they will be operating within the formal or the informal sector. Workers with poor human, physical and financial capital, get residually absorbed in their own account enterprises and other small units. As far as mobility is concerned some of them remain perpetually within the informal sector though they may be experiencing upward mobility within the sector. With better quality education, improved accessibility to market information, credit facilities and technological know-how the scale of operation may expand. Thus, it may be possible for the units and workers to graduate to the formal sector. However, it is important to consider the cost associated with the graduation process. For example, with stringent registration procedure and the labour laws, a unit may prefer to remain in the informal sector rather than graduate to the formal sector (Maiti and Mitra, 2011). Also, by remaining small in size a firm can take the advantage of the labour market flexibility prevailing in the informal sector. In these situations, the informal sector units are not necessarily residual in nature or characterized by low productivity. They are rather expected to be technically efficient and highly competitive. The linkages between the

² Agricultural sector excluding growing of crops, plant propagation, combined production of crops and animals without a specialized production of crops or animals are referred to as AGEGC sector (Agricultural sector Excluding Growing of Crops, plant propagation) in this Report.

³ According to the conceptual framework suggested by the 15th International Conference of Labour Statisticians, unincorporated enterprises owned by households, (i.e., proprietary and partnership enterprises including the informal producers' cooperatives) are largely considered as informal sector enterprises (p. 67, Periodic Labour Force Survey, 2017-18 published in May 2019).

informal and the formal economy, therefore, need to be understood in relation to the formal regulatory environment as pointed out by Chen (2007). Maiti and Mitra (2011), however, pointed out that there is a huge residual component within the informal sector while the segment comprising the dynamic units is very small in size. Interestingly, the possibilities of upward mobility for individual workers exist within the informal sector itself though such opportunities are not abundantly available (Mitra, 2010). Those who are able to diversify their networks (used for job search), are able to access better jobs over time, while network concentration, particularly the ones operating within the caste and kinship bonds, ties individual workers to low income outlets. Hence, it may be still useful to reflect on the possible interlinkages between the informal sector employment and poverty, in the backdrop of rapid urbanization.

The historical experience of the present day developed nations suggested a strong nexus between industrial growth and urbanization. However, this industry-urban nexus is on the decline and the new patterns that are emerging relate to the services sector growth, urbanisation and their mutual interdependence. The importance of the services sector both for the educated and the uneducated job seekers at the place of destination is evident. For the educated job market participants, the services sector offers high productivity work opportunities. On the other hand, for the uneducated job seekers, the services sector posits easy entry with very less barriers in terms of financial resources or skill requirements. Udall (1976) had argued that the services sector is a manifestation of residual type activities operating with an absorptive capacity of a sponge. Since the supplies of labour exceed the demand significantly and also there is severe competition among the workers, the wage rate remains at a pitifully low level. Mitra (2013), however, observed a bimodal distribution of income within the services sector which conforms to the job seeking behaviour of both educated and uneducated workers.

Further, the recent literature suggests that even the less skilled workers are aiming at the services sector as jobs in the industrial sector have almost disappeared, particularly in the large metropolitan cities, because of a variety of factors such as strict location regulations for industries, mechanisation and digitization in the production process displacing labour, and stagnancy or deceleration in industrial expansion. Even for the less educated and unskilled workers opportunities are opening up in the cities to escape poverty; hence, the so-called residual activities are also emerging to be a sector of respite. As Eichengreen and Gupta (2013) observed, the positive association between the service sector share in output and per capita income is widely evident both in countries with relatively low levels of per capita GDP and higher per capita incomes: the first being made up primarily of traditional services, the second of modern services. Even in the countries with low incomes the second wave is occurring after 1990, especially so in democracies, and in countries that are open to trade, and in countries close to global financial centres. While factors such as a high income elasticity of demand for services, increased

input usage of services by other sectors, supply side factors including reforms and technological advances also played a significant role, though employment growth in the Indian services sector has been quite modest (Gordon and Gupta (2003). However, in India employment expansion appears to be more in sub-sectors where educational requirements and quality of employment is low (Nayyar, 2009). But an opposite view suggests that the services despite being the largest and fastest growing sector in India employment has not kept pace with the share of the sector in gross domestic product and has not produced the number or quality of jobs needed (Mukherjee, 2013). As Ghose (undated) reiterated India's services sector is overdeveloped in relation to its industrial sector and the share of services in employment is exceptionally low with respect to the share in GDP. Though young males had increased their share of regular employment both in manufacturing and service sectors, Ramaswamy and Agrawal (2012) did not find any acceleration in the service sector employment growth relative to manufacturing in the urban areas of India. However, greater duality persisted in the services sector in terms of the incidence of informality and wage inequality: those with more skills received higher increases in real wage and the sector is relatively more skill demanding than manufacturing.

There are other factors too, explaining a surge in the services sector value added: productivity in manufacturing improved with growth of the economy, and the benefit of the improvement got passed on to the users while the services sector did not experience such a consistent drag. Rather education, health, etc. have been a consistent beneficiary of the price adjustment which helped the service sector's share in GDP to move up persistently (Datta, 2015). Factors that compel poorer households to spend more on services also need to be looked into: for example, when the state stops providing essential services, the poor are forced to substitute private for public services at the cost of food and nutrition (Basu and Das, 2017).

Given this background Mitra (2020) argues that the dominance of the services sector in the urban setup seems to be working as a pull factor. While industrialisation encourages migration, the positive role of the services sector in explaining the variations in the migration rate and enhancing the per capita consumption expenditure in the urban areas is also highlighted (Mitra, 2020). The received theory may have treated the industrial sector as the engine of urban growth but the new evidence is inclined in favour of the services sector as well. However, the services' activities include a wide range of jobs that may provide a livelihood to many and reduce the consumption poverty though in terms of housing, basic amenities and living conditions they may have serious implications. On the whole, the urban informal sector which is dominated by services activities, pose serious challenges to sustainable urbanisation. Whether urbanization in such a situation is qualitatively rich and can emerge as environment friendly is the key question.

3. Inter-connections between Migration, Urban Informal Sector Employment and Poverty

In this section, we make an attempt to understand the dynamics of the informal sector by examining its relationship with a number of other demographic and labour market specific variables. As individuals residually employed in agriculture gravitate to the urban informal sector, this section posits a growing relationship between urban and rural poverty. Thus, impelled even by the hope of finding employment in the urban informal sector, current patterns of migration allow for ways to connect rural and urban poverty. It may be hypothesized that the possibility to work within the informal sector may induce population movement from the rural to the urban space and thus, rural and urban poverty remain associated through migration and other characteristics defined by regional-level dynamics. Alternately migration and an increased urbanisation level may reduce rural and urban poverty, both due to the beneficial effects of urbanisation. As indicated at the end of Table 1 information at the states level has been extracted from NSSO and Population Census (2011) data.

Results based on the factor analysis reveal that higher rural literacy raises the migration rate, moderately though (Table 1). The percentage of scheduled castes in the rural areas tends to induce out-migration rate, supporting the view that the disadvantaged sections move out to escape their poverty and vulnerability (factor 1). The most striking part is that rural and urban poverty both decline in relation to migration (see both factor 1 and factor 4) though this pattern is not very strong. As rural poor migrate to the urban areas their absorption within the urban informal sector brings in better livelihood opportunities in comparison to their pre-migration status. Thus, the migration process reflects on a decline in the incidence of poverty though in the Indian context such upward mobility is not seen as a prevalent phenomenon.

Both in the rural and urban areas the work participation rate is positively associated with migration (factor 2). This suggests that those in the labour market have a higher probability of migrating out, and subsequent to migration they are also more likely to continue in the job market instead of withdrawing. Further, states which are more urbanized than others are likely to experience these patterns, suggesting a positive impact of urbanization on job market and employment.

The results are also indicative of the fact that the socially backward groups are more likely to migrate due to the impact of push factors such as poverty. Also, they may land up in the urban informal sector given the poor resource and human capital endowment. Variables such as migration, urban informal sector employment, and the incidence of scheduled caste (SC) population (representing lower social categories in terms of caste) in the urban and rural areas seem to have a positive association. This pattern is, however, accompanied by a decline in the poverty incidence in both the rural and urban areas, nominally though (factor

3). As the lower social categories are vulnerable in terms of the lack of cultivable land and other assets they are expected to have a higher propensity to migrate. However, given their poor human capital endowment they are not able to access jobs in the high productivity segment in the urban sector, captured in terms of a positive association between migration and urban informal sector employment. The only positive outcome of this phenomenon is that within the urban informal sector there are possibilities of improving the living standards, only to a limited extent though.

Turning to factor 4 it may be observed that urbanization takes the highest factor loading. Moreover, it is positively associated with the percentage of the workforce engaged in non-household manufacturing and services, both in the rural and urban areas. Also, urbanization on the one hand and rural and urban poverty on the other are negatively associated. On the whole, one may infer that the urbanization process ushers in opportunities to access relatively higher jobs though such patterns are not strongly discernible in terms of the factor loadings.

In none of the significant factors, the factor loadings of urbanization and urban informal sector employment both turn out to be high or moderate, simultaneously. Only one of the two variables is closer to unity in factor 3 or factor 4 while the other variables correspond to insignificant coefficients. The results suggest that the relationship between urbanization and informal sector employment is not strong.

Table 1
Results from Factor Analysis

Variables	Factor 1	Factor 2	Factor 3	Factor 4
MIGRATION	-0.114	0.181	0.229	0.140
UINFORMAL	-0.157	-0.10	0.603	-0.025
MIGR EMP MALE	0.111	0.166	-0.128	0.049
RHHSIZE	0.658	-0.428	-0.105	-0.160
RCHILD-WOMAN	0.867	-0.206	-0.143	-0.151
RWFPR	-0.126	0.68	-.079	-0.102
RLIT	-0.536	0.072	-0.091	0.524
RSC	-0.147	-0.041	0.907	-0.071
ROTHERACTIVITIES	-0.141	0.042	-0.152	0.864
UHHSIZE	0.494	-0.773	-0.029	-0.075
UCHILD-WOMAN	0.836	0.041	-0.179	0.032
UWFPR	-0.0001	0.922	-0.093	0.170

Variables	Factor 1	Factor 2	Factor 3	Factor 4
ULIT	-0.437	0.288	-0.251	0.212
USC	-0.055	-0.030	0.925	-0.072
UOTHERACTIVITIES	-0.157	0.146	-0.129	0.436
RPOVERTY	0.119	0.174	-0.119	-0.213
UPOVERTY	0.270	-0.180	-0.097	-0.252
URBNISATION	-0.024	0.143	0.003	0.867
Eigen Value	5.43	2.97	2.18	1.60
% Explained	0.36	0.19	0.14	0.11

No. of Observations=35.

Notes: Rural and Urban areas are represented in terms of the subscripts R and U respectively. Other variables are as follows: migration rate for the year 2007-08: MIGRATION; migration among males for employment: MIG EMP MALE; the proportion of informal sector employment to total employment in all non-agricultural activities in the urban areas for the year 2009-10: UINFORMAL; The ratio of children to women for the year 2011: CHILD-WOMAN; literacy rate for the year 2011: LIT; % of scheduled caste population for the year 2011: SC; household size for the year 2011: HHSIZE; workforce participation rate for the year 2011: WFPR; % of workforce engaged in other activities for the year 2011: OTHER ACTIVITIES; poverty incidence for the year 2011-12: POVERTY; and % urbanization from 2011 population census: URBNISATION

Source: Authors' estimation based on NSSO and Population Census (2011) data.

4. Quality of Urbanisation

Whether cities and towns have enough infrastructure endowment and whether the residents have access to basic amenities and decent housing are some of the key questions in the context of healthy and sustainable urban development.

First of all, a very large percentage of households live in one room accommodation (Table 2). Secondly, an overwhelmingly large percentage of the urban households do not have an exclusive latrine facility: either they depend on public latrine or follow open defecation. In all urban areas at the all-India level, nearly one-fifth of the total households live in such situations. Dependence on public latrine and open defecation has been identified as the major cause of disease spread. Besides, cooking fuel such as firewood, crop residue, cow-dung etc. are the major sources of environmental pollution. At the all-India level, the average figure for all urban areas exceeds 33 per cent, implying that such a high proportion of households do not have access to safe cooking fuel. Urban slums, low incomes, inadequate sanitation and the lack of safe cooking fuel tend to have considerable overlaps, which pose serious threats to sustainable urban development issues.

Table 2
Percentage of Urban Households with Basic Amenities

India/State Urban	Household having number of dwelling rooms		Drinking Water	Latrine Facility		Cooking Fuel
	No exclusive room	One room	Other than tap water	Public latrine	Open Defecation	(fire-wood, crop residue, cow dung, coal, kerosene)
India	3.1	32.1	27.7	6.0	12.6	33.7
Jammu & Kashmir	2.9	15.1	11.4	1.8	10.7	21.7
Himachal Pradesh	1.8	27.4	3.8	4.0	6.9	13.5
Punjab	1.3	25.3	23.4	0.8	5.8	19.4
Chandigarh	1.4	38.5	3.2	9.2	3.2	27.0
Uttarakhand	1.1	29.3	21.4	1.7	4.7	20.0
Haryana	1.8	26.2	22.1	1.3	8.8	21.8
NCT of Delhi	1.3	32.3	18.1	7.1	3.0	9.2
Rajasthan	1.6	25.9	16.9	1.3	16.7	30.0
Uttar Pradesh	2.4	31.3	48.1	2.1	14.8	37.4
Bihar	2.3	32.5	79.2	2.2	28.9	51.1
Sikkim	2.2	31.0	7.0	2.6	2.2	14.1
Arunachal Pradesh	1.6	21.0	13.9	3.8	6.7	21.3
Nagaland	1.0	22.2	54.0	3.2	2.2	46.4
Manipur	1.4	13.5	41.4	1.9	2.3	42.2
Mizoram	1.7	12.8	23.5	0.6	0.9	15.7
Tripura	3.7	62.1	44.7	0.8	1.3	50.0
Meghalaya	0.8	21.6	18.9	1.9	2.4	49.2
Assam	2.1	24.2	65.1	1.3	5.0	31.1
West Bengal	3.0	41.7	43.5	3.7	11.3	49.9
Jharkhand	2.8	22.1	55.8	1.8	31.0	55.7
Odisha	1.7	28.3	46.7	2.0	33.2	50.9

India/State Urban	Household having number of dwelling rooms		Drinking Water	Latrine Facility		Cooking Fuel
	No exclusive room	One room	Other than tap water	Public latrine	Open Defecation	(fire-wood, crop residue, cow dung, coal, kerosene)
Chattisgarh	1.5	27.3	36.6	5.4	34.4	54.0
Madhya Pradesh	1.3	25.2	36.5	3.3	22.5	38.8
Gujarat	2.4	35.5	13.9	3.6	8.7	30.3
Daman & Diu	4.1	62.8	27.1	10.5	4.1	40.5
Dadra & Nagar Haveli	6.5	50.7	48.9	7.6	11.1	31.9
Maharashtra	4.9	41.7	9.9	21.0	7.7	24.4
Andhra Pradesh	2.3	32.7	16.0	2.0	11.9	30.7
Karnataka	7.1	29.6	18.6	4.4	10.7	34.0
Goa	3.6	20.4	6.4	5.2	9.5	17.7
Lakshadweep	0.4	7.3	74.2	0.4	1.9	75.2
Kerala	0.9	6.3	50.1	0.9	1.7	50.6
Tamil Nadu	4.7	36.7	18.1	8.6	16.2	30.5
Puducherry	4.6	40.5	4.5	5.8	12.2	20.6
Andaman & Nicobar Islands	1.9	26.2	1.9	5.1	7.8	31.4

Source: Census of India, 2011.

In fact, prompted by this motivation we considered a wide range of variables based on access to assets, basic amenities and housing conditions and generated the deprivation index for each city and town using factor loadings as the weights (Mitra and Nagar, 2018). The findings suggest that a large percentage of urban centres, particularly the ones which are small in size, correspond to a high level of deprivation index (Table 3). In other words, the urban centres which belong to the bottom size classes of the index are mostly large in size. Conforming to this pattern most of the million plus cities have a low index value. As regards the other class I cities (each with a population size of 100,000 and above), again many of them are better off though a sizeable chunk (97 in absolute terms) among the ones of population size 100,000 to 500,000 have an index value of } more than 125.

Table 3
Distribution of Index Value by Population Size of Cities and Towns

	Statutory Town						Census Town
No. of Town	3716						2563
	Million Plus	5-10 lakh	5-1 lakh	50,000-1-lakh	50,000-10,000	<10,000	
Total	53	40	370	451	2230	572	2563
Index Range							
0-100	44	27	179	157	361	134	595
100-125	7	9	94	111	352	48	365
125-150	1	1	44	69	350	78	336
150-200	1	3	42	81	577	125	518
200-250	0	0	9	24	380	99	394
250-300	0	0	0	7	152	66	222
>300	0	0	2	2	58	22	133

Note: 1 lakh is 100,000 (one hundred thousand).

Source: Based on Population Census, 2011

Statutory towns include all places with a municipality, corporation, cantonment board or notified town area committee area etc. On the other hand, the definition of census towns is based on the following criteria: (a) a minimum population of 5000 (b) at least 75 per cent of the male main working population is engaged in non-agricultural pursuits, and (c) a density of population of at least 400 per square kilometer. The census towns are urban as per the definition of the Registrar General (Population Census) but not declared as urban centres by the Government of India. Among the total census towns of 3894 only 2563 appear in Table 3 because the rest, as mentioned above, are part of the urban agglomerations of the existing cities and six are non-traceable. The statutory cities and towns shown in Table 3 include urban agglomerations, not the metropolitan areas only. Table 3 verifies that nearly half of the census towns which are not part of the urban agglomerations have a vulnerability index value of more than 150.

There are several states which have cities with very high index values, particularly so in some of the low income states, though West Bengal is an exception in this respect, i.e., without being a low income state it has a number of cities and towns with high index values. In some of the low income states the level of urbanisation is also low but in some other low income states the rural transformation has taken place to a sizeable extent as agriculture is not able to provide sustainable livelihood opportunities, compelling many to take recourse to petty activities in

the non-farm sector, which in turn resulted in the emergence of urban centres (Table 4).

Table 4
Number of Statutory Cities/Towns by Deprivation Index Range across States

States and Union Territories	No of cities	Index Range						
		<100	100-125	125-150	150-200	200-250	250-300	>300
Jammu & Kashmir	111	49	12	17	23	8	2	0
Himachal Pradesh	58	57	1	0	0	0	0	0
Punjab	211	161	37	11	2	0	0	0
Chandigarh	1	1	0	0	0	0	0	0
Uttarakhand	91	64	8	7	11	1	0	0
Haryana	143	77	34	14	15	2	1	0
NCT of Delhi	1	1	0	0	0	0	0	0
Rajasthan	285	58	73	66	76	10	2	0
Uttar Pradesh	800	55	69	90	194	228	128	36
Bihar	173	2	5	9	30	43	48	36
Sikkim	9	7	0	1	1	0	0	0
Arunachal Pradesh	27	8	5	6	8	0	0	0
Nagaland	25	3	1	4	11	6	0	0
Manipur	34	2	1	5	6	10	7	3
Mizoram	23	2	1	9	8	2	1	0
Tripura	42	1	2	6	18	12	3	0
Meghalaya	11	1	2	1	2	5	0	0
Assam	196	16	27	29	51	44	20	9
West Bengal	665	20	27	44	178	175	119	102
Jharkhand	187	4	21	28	62	48	16	8
Orissa	216	10	13	22	58	77	29	7
Chhattisgarh	172	4	3	13	54	63	26	9
Madhya Pradesh	438	29	58	59	151	100	35	6
Gujarat	282	73	58	77	55	15	3	1
Daman & Diu	8	2	1	1	4	0	0	0

States and Union Territories	No of cities	Index Range						
		<100	100-125	125-150	150-200	200-250	250-300	>300
Dadra & Nagar Haveli	6	1	1	0	3	0	1	0
Maharashtra	502	176	110	80	110	23	3	0
Andhra Pradesh	269	101	84	62	22	0	0	0
Karnataka	318	119	77	48	56	18	0	0
Goa	63	57	3	2	1	0	0	0
Lakshadweep	6	5	1	0	0	0	0	0
Kerala	63	39	19	5	0	0	0	0
Tamil Nadu	832	288	229	161	135	16	3	0
Puducherry	6	3	3	0	0	0	0	0
Andaman & Nicobar Islands	5	1	0	2	2	0	0	0
Total	6279	1497	986	879	1347	906	447	217

Source: Based on Population Census, 2011.

In Section 1 we argued that large cities give rise to higher levels of agglomeration economies, resulting in higher levels of productivity. Hence, large cities are expected to have carried out greater investment. Thus, population size and deprivation index may move in the opposite direction, indicating an inverse relationship. However, in order to capture the non-linearity that may exist in the real world, we have estimated a quadratic function between the deprivation index and population size. In other words, both population size and the square of population size have been considered. Population size is measured in terms of logarithmic transformation of the population magnitude in absolute terms.

Further, we have included the impact of certain other variables such as per capita income and the overall urbanisation of the states to which each of the cities belongs. Besides, the geographical location characteristics are also considered. However, these variables are taken in the form of dummies, i.e., we have distributed the states into five categories in terms of income, level of urbanisation and zones. Per capita income is representative of economic growth which in addition to population size (representing agglomeration aspect) is expected to impinge on the deprivation index. Higher economic growth may result in higher investment in infrastructure, provision of basic amenities and remunerations which raise the asset endowment of the population. A higher level of urbanisation other than city size reflects on the dynamism of the state and the volume of non-agricultural activities carried out. The geography of India being diverse different regions are expected to capture differences in climate, nature of activities and socio-economic practices

which in turn can impact productivity, earnings and levels of living though state interventions are supposed to reduce divergences. Hence, it is interesting to test the regional variations in the deprivation index.

The regression of the deprivation index on city size and its square shows that the larger the city size, the lower is the magnitude of the index after there is a positive relationship between the two at the initial stages (Mitra and Nagar, 2018). This is understandable as large cities may be attracting large investments but initially, there is a positive relationship between the two possibly because investments and the positive gains in terms of improvement in wellbeing levels do not take place. However, the explanatory power of the equation is very poor (0.06), implying that the size variable alone is not able to explain a significant variation in the deprivation index. Though with the insertion of state dummies the adjusted R² improves substantially, the t-ratios corresponding to the coefficients of many of the state dummies is insignificant, indicating the problem of multicollinearity. The adjoining states possibly do not differ significantly from each other when it comes to state averages in the index value and the influence of state-specific variables on the index. From this point of view regrouping of states had to be done and we introduced regional dummies instead of state dummies. There are some overlaps between the geographical location and the growth levels measured in terms of per capita income. For example, some of the geographical spaces comprise mostly the low income states, and similarly some of the high incomes states are also located in adjoining space though there is no one-to-one correspondence, strictly speaking. Hence, we have re-estimated the equations with dummies for geographic regions as well as income levels, separately. Besides, we have regrouped states on the basis of their level of urbanisation. On the whole, we are able to observe that the relationship between per capita income and the index is not very distinct. In other words, in the process of growth not necessarily the cities are able to reduce the deprivation index, suggesting the possibility of non-inclusive growth taking place in the country. Another important aspect of urbanization relates to the socio-economic transformation. Mitra and Nagar (2018) noted that the social and economic transformation is rather sluggish, confirming the limited role that urbanization has played in transforming the economy and the social system.

5. Turning to Environmental Issues

Considerable overlaps have been seen among rural to urban migration, urban informal sector employment and poverty. The implications of meagre earnings accruing to the workers can be envisaged in terms of not only consumption poverty but also housing, education and health poverty. Vast stretches of slums and squatter settlements can be attributed to the employment problem prevalent in the cities. The lack of access to basic amenities and sewerage results in environmental pollution and health problems. As such concentration of economic activities and population in large cities results in congestion and high levels of CO₂ emissions. With greater

competition for land and with a rise in per capita automobile consumption the transport systems often do not operate smoothly. The convergence of business and residence in the slums in the face of inadequate basic amenities renders human life to serious precarity. Further, the density of population being high in the cities and given that significant interactions exist between the formal and informal sectors and the households and the informal sector, the spillover effects of health and environmental hazards are huge. The burden on the public exchequer can be high if these challenges are to be mitigated through government intervention. However, the hedonic demand function estimated by us (Das, Mitra and Kumar, 2017) revealed the willingness of the slum dwellers to pay for the basic amenities and several other services. Hence, it may be erroneous to presume that they are unwilling to pay for the services that they use. In other words, the possibility of cost sharing exists; how such mechanisms can be introduced effectively is a pertinent question.

On the whole, urbanization in India rather seems to be lacking in terms of dynamism. Many cities and towns are still characterized by higher values of deprivation index. Particularly the new areas emerging as urban need a huge magnitude of investment. However, with increasing levels of urbanization in a given region, the positive spill-over effects are evident, which tend to reduce the deprivation index though the role of urbanization in reducing poverty and is quite limited. The most striking part is that rural and urban poverty both decline in relation to migration, though this pattern is not very strong. As rural poor migrate to the urban areas their absorption within the urban informal sector brings in better livelihood opportunities in comparison to their pre-migration status. Thus, the migration process is associated with a declining incidence of poverty, though in the Indian context such upward mobility is not seen as a prevalent phenomenon. More important is the fact that these low income households in the process of reducing their cost of living often take recourse to cheap fuel consumption and also lead a poor quality of life in terms of sanitation and basic amenities. Such living patterns have serious environmental consequences. Even when the low income households are not engaged in precarious industrial activities, their meagre earnings incurred from petty service-oriented jobs can render their lives and the whole city to the hazards of environmental degradation. Various policy interventions will be required to make urbanization more effective in terms of its contribution to economic growth, employment generation and poverty reduction. The smart cities programme may accentuate inequality and result in less inclusive urbanization. Therefore, other city specific programmes need to be developed extensively to counter some of these processes.

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Inclusion of Migrant Workers in India: What Works at the Grassroots?

Benoy Peter* and Liby Johnson**

Socially and economically disadvantaged communities from rural India constitute the majority of the migrant workers who make temporary or circular moves in India to eke out a living. The national lockdown in the country in 2020 exposed the plight of the migrant workers and their families both at the source and destination regions. It also exposed the poor preparedness of all stakeholders towards the challenges faced by the migrants. In this paper, the authors synthesise the programme experience and lessons learned by the Centre for Migration and Inclusive Development and Gram Vikas, two non-profits that are engaged in a source-destination intervention promoting safe migration in Odisha–Kerala corridor. The paper summarises some of the high-impact strategies that could promote the inclusion of migrant workers at the grassroots.

Keywords: *Labour Migration, India, Inclusion, CMID, Gram Vikas*

1. Introduction

Migration for work has been a major coping strategy for millions in India. Socially and economically disadvantaged communities from rural India constitute the majority of the migrant workers who make temporary or circular moves in India to eke out a living (Keshri and Bhagat, 2013: 87). The national lockdown in India in 2020 exposed the plight of migrant workers and their families both at the destination areas as well as in source regions. Recent trends in long-distance migration reveal that the direction of migration in India is now towards the southern states given the state of demographic transition in the region (GOI, 2017: 277). Centre for Migration and Inclusive Development (CMID) is a registered non-profit based in Kerala with a focus on migrant inclusive development. Kerala currently offers the best wage rates in India for migrant workers in the informal sector (Peter and Others, 2020). Gram Vikas is a community development organization that works in Odisha and Jharkhand. Gram Vikas works with rural poor and tribal communities to help them lead a dignified life, by building

* Dr. Benoy Peter, Executive Director, Centre for Migration and Inclusive Development (CMID), Email: benoy@cmid.org.in

** Dr. Liby Johnson, Executive Director, Gram Vikas, Email: liby@gramvikas.org

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capacities, strengthening community institutions, and mobilising resources. CMID and Gram Vikas, individually and together, have been engaged in several programmes for the welfare of migrant workers, including a safe migration programme along the Odisha-Kerala corridor. A series of empirical studies on migration were also conducted as part of this during 2019-2021. In this paper, the authors synthesise the programme experience and lessons learned by both the organisations in working with migrant communities at the grassroots for the past several years and summarises some of the high-impact strategies that could promote inclusion of migrants at the grassroots level. The paper primarily focuses on the inter-state migration of informal workers.

2. Labour Migration in India

Internal labour migration in India ranges from intra-state movements within or beyond the home district to interstate movements that are even over 2000 km. The movements also vary from season to season. In Andhra Pradesh, every year from March to May, workers from Srikakulam, Guntur, Prakasam, and Khammam come to Krishna district to pluck and process mangoes and from June to November, families from Prakasam and Krishna Districts come to Guntur to work in the Chilli sector. Bengaluru is a major destination for migrant labourers from rural Karnataka. Mumbai serves as a destination for labourers from rural Maharashtra. Migrants from tribal communities of rural areas of Gujarat move to Ahmedabad for work. There have been established labour migration corridors within the country connecting different states. Every year, from November to March, couples from the Beed district of Maharashtra move to Belgaum and Bagalkot districts of Karnataka to harvest sugarcane. The industrial town of Surat in Gujarat has been a major destination for labourers from the Ganjam district in Odisha. Migrants from Bihar constitute a large share of Rickshaw pullers in Delhi. Workers from the Dumka district of Jharkhand migrate to take up construction work in Ladakh. Traditional fishers from Sundarbans in West Bengal move to Kerala to work in the marine fishing sector. Workers from Murshidabad district of West Bengal and Nagaon district of Assam constitute the majority of workers in Ernakulam district of Kerala.

The profile of the migrant labourers varies by nature of the job, sector of employment, destination, distance from the native place, type of engagement of labour, and a host of other determinants. For example, the Brick Kilns and plantations all over India engage migrant families. Migrant women, particularly young girls are preferred for work in the fish processing industry. Artisans from Saharanpur are engaged in the furniture industry. Women and girls are preferred as live-in domestic workers. Sugarcane harvesting engages migrant couples, and the apparel industry engages predominantly young single men and women. Work arrangements of migrant labourers range from footloose labourers without a regular employer to confined labourers where mobility of the worker is at the

mercy of the employer/contractor. Although the labour migration in India is driven by a nexus of intermediaries traditionally, increasingly, the social network has emerged as a major driver of labour migration. Almost all the inter-state workers in Ernakulam district, the commercial capital of Kerala, in 2019, reported that they leveraged their informal ties with significant others from their native place, who were already employed in the district (Caritas India, Welfare Services and CMID, 2020:18).

3. Challenges Faced by Households with Migrants

Independent studies conducted in Kalahandi, Ganjam, Gajapati, and Kandhamal districts of Odisha by CMID and Gram Vikas revealed that, if migrants get a regular monthly income of rupees 10000 to rupees 12000 from work at their native places, most of them prefer not to migrate (Gram Vikas and CMID, 2020:72; Gram Vikas and CMID, 2021a:83; Gram Vikas and CMID, 2021b:86). However, a regular income at such a level does not appear to be feasible in the immediate future in rural India. Besides, emerging challenges such as climate change, are likely to push more people to seek a livelihood elsewhere outside their native places (Singh and Others, 2020:4). While migrants form the backbone of the bustling Indian cities, and migration helps workers from rural India tide over their immediate crises, it comes at a cost to the migrants and their households. The subsequent sections summarise the key challenges faced by those who migrate and those who stay behind at source areas.

3.1. Source

Challenges at the source areas drive people to other places for work. Most important such challenges include low wages and lack of employment. In many areas in Odisha, agriculture has been fading as a major means of livelihood and a majority of the households depended on non-agricultural daily wage labour as a primary means of income (Gram Vikas and CMID, 2020:25; Gram Vikas and CMID, 2021c:25). In long-distance migration, typically, single men move out for work while the spouse, children, and parents stay back. Migrants also move with the family. Single women also move to work in garment factories or fish processing units. A lot of them are also taken as domestic workers. The older persons who stay back at their native place find it difficult to access healthcare. Fetching firewood also was another challenge faced by the parents who stayed back in rural areas. The women, particularly the spouses who stayed behind also found it difficult to access healthcare in the absence of men. They also find it difficult to take care of the requirements of the children in the absence of their spouses (Gram Vikas and CMID, 2019:03). In the absence of connectivity, in many rural areas, the family members find it difficult to communicate with the workers who are away. Receiving remittances was another challenge faced by those who stayed behind as they had to travel to the bank which is generally far away. The children who stayed back were deprived of parental love and affection.

3.2. Destination

A recent policy paper by ILO identifies six broad challenges faced by migrant workers at the destination. They are invisibility, fragmentation, and informality; occupational safety and health risks; limited social protection; forced labour conditions; intergenerational transfer of poverty and labour burden on women (ILO, 2021). These challenges result in multi-layered vulnerabilities for workers by their age, agency, gender, sector, region of employment and a host of other reasons. Migrant workers are employed primarily because the jobs for which they are engaged generally do not have takers from the receiving society given the precarious nature, long durations of work, and abysmal wages. At the destinations, most workers do not enjoy the ESI and PF benefits (Gram Vikas and CMID, 2020:61). Workers who are enrolled under these schemes also seldom benefit from these either due to lack of awareness or because of the seasonal/circular nature of their work. Migrant workers are rarely made members of local trade unions. As a result, they are deprived of the opportunity for collective bargaining. These are also key reasons why employers prefer migrant workers. At the destinations, non-payment of wages and irregular payments are major challenges faced by the migrants (Gram Vikas and CMID, 2019). Migrant workers are generally engaged through verbal agreements without any evidence of employment. Payments are also by and large made in cash. In Ernakulam district of Kerala, during 2019-20, 93 per cent of all migrant workers received their wages in cash (Caritas India, Welfare Services and CMID, 2020:18). Finding out an employer who does not exploit them was another major challenge workers faced (Gram Vikas and CMID, 2019). Their accommodation arrangements tend to be crowded and congested. Employers generally house workers within or nearby the factory premises and many a time this is a strategy to curtail their freedom and access to the outside world. This cripples the migrants' access to potential social support systems. This primarily is the case of the garment and apparel industry and fish processing units where young girls are mostly recruited through a chain of intermediaries. When they find housing on their own, workers end up occupying vacant land, empty spaces such as space under flyovers and bridges, dilapidated buildings, or housing facilities that they can afford to. Such housing makes them vulnerable to several threats. Their access to water, sanitation, and hygiene also are generally poor.

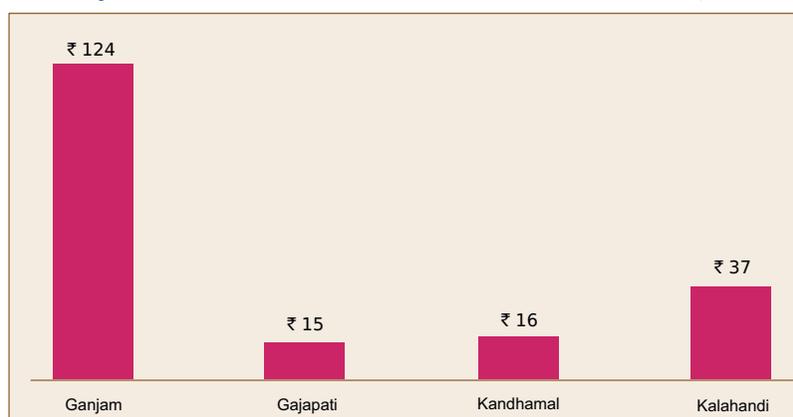
Migrants who move as families with children have additional challenges. The safety of children during work hours is a major issue. In Kerala, several cases of child abuse have been reported in the case of migrant households and many such incidents occurred in the absence of parents who were out for work. Access to education is another major issue faced by migrant families with children. Despite policy measures such as right to education act, there is a reluctance to admit children of migrant workers in schools or in age-appropriate classes. Many times, such admissions also require a bridging process which is generally absent in the destination states. Movements across states with linguistic barriers further

complicate the process as it cripples the ability of the children to catch up with the lessons. Discrimination at the schools also is evident in the case of migrant children. In many schools in Kerala, teachers refer to the children of migrant workers as *Bhaikkutty*, a discriminatory term in the local language, used to denote children of workers from outside southern India (Peter and Narendran, 2017:82). The COVID pandemic has further crippled the access to education for children of migrant workers. Due to economic constraints, many children from migrant families have joined the labour force (Gram Vikas and CMID, 2021b:44). Women workers have additional vulnerabilities given their gender roles in the Indian context and exploitations faced by them.

4. Impact of Labour Migration

With the largest diaspora in the world and being the largest recipient of international remittances, the social and economic impact of migration in India is significant (IOM, 2021:41). Being many folds compared to international migration for work, the impact of internal migration for work is much more significant. Remittances contribute significantly to the resilience of rural India as it not only benefits the households to which the remittances are made but to the entire village economy. The monthly remittances received by households in select districts in Odisha prior to the national lockdown were estimated by the authors based on four independent empirical studies conducted by Gram Vikas and CMID in the respective districts. As the estimates reveal (Figure 1), prior to national lockdown in 2020, households in the Ganjam district of Odisha received rupees 124 crores every month as remittances. For households in Gajapati and Kandhamal districts, it was rupees 15 crores and 16 crores respectively. Households in the Kalahandi district received a monthly remittance of rupees 37 crores before national lockdown in 2020.

Figure 1
Estimated Monthly Remittance Received Prior to National Lockdown in 2020 by Households in Select Districts, Odisha (Crores)



Source: Estimated by the authors based on empirical data from four independent studies by Gram Vikas and CMID (Gram Vikas and CMID, 2020; 2021a; 2021b and 2021c).

5. What Works at the Grassroots?

While government policies provide an enabling environment, most such policies have not made a substantial difference in the lived experience of migrants. For example, the Interstate Migrant Workmen Regulation Act 1979 has by and large been of little use to migrant workers. Engaged as informal employees, these workers do not benefit from the ESI, PF facilities also. One Nation One Ration Card (ONORC) scheme, while ensuring portability, has not yet substantially helped workers obtain food grains outside the state. In this section, based on the experience of CMID and Gram Vikas, practical strategies that have worked well in promoting the inclusion of migrants, are detailed. Crosscutting strategies are elaborated first, followed by strategies that have worked in the unique context of source or destination.

5.1. Crosscutting Strategies

There are several strategies that are equally applicable for the source and destinations interventions to improve the state of inclusion of migrant workers. Evidence-informed source-destination interventions; public private partnerships; deploying mobile services; establishing helplines; ensuring gender sensitivities; etc. are some of them. Such strategies are detailed in this sub-section.

5.1.1. Evidence-Informed Programmes

Evidence-informed interventions can substantially improve the programme response by better target efficiency and impact. In source areas, understanding the level of migration, differential migration rates by ethnicity and expectations of the workers, can help plan interventions. For example, research by Gram Vikas and CMID revealed that while the majority of workers from Kalahandi and Kandhamal move to Kerala, the workers from Ganjam primarily moved to Surat (Gram Vikas and CMID, 2020:55; Gram Vikas and CMID, 2021a:65; Gram Vikas and CMID, 2021b:66). Such information can help organisations in source areas to explore collaborations at respective destinations for the welfare of the workers who move from these areas. At the destinations, being informed about the profile of the migrant workers helps design effective strategies to reach out to them. For example, demand creation materials in print media are not effective in the case of illiterate workers. However, voice messages in their mother tongue can better reach such target groups. In Ernakulam district of Kerala, workers from West Bengal constitute 40 per cent of all migrant workers and another 20 per cent hail from Assam. Workers from Tamil Nadu constitute another 20 per cent and about 12 per cent of the workers belonged to Odisha (Caritas India, Welfare Services and CMID, 2020:7). Such information is pivotal while choosing the language for communication or recruiting the outreach workers so that communication is effective. Hence, both at source as well as at destinations, a profiling of the migrants/ households with migrants/potential migrants at the beginning of the

programme can help evolve a robust programme that is responsive to the needs of the target populations.

5.1.2. Ecosystem Approach

Inclusive interventions call for an ecosystem approach that considers the numerous challenges faced by households with migrants instead of just one thematic area. Such interventions not only focus on the migrants but those who stay behind also. Besides, issues of not just the worker but the whole household at the source/destination, are addressed. Three complementary strategies: creation of demand; provision of quality services and facilitation of an enabling environment, play a key role in this. While there may be services/social security schemes for different beneficiaries, it is not necessary that the beneficiaries are aware of the existence of the services and also about the procedure to enrol and avail of such services. Hence, consumer-sensitive demand creation can inform workers about the various programmes/services. It is also important to make sure that services for which demand is created, are provided with an emphasis on quality. In order to ensure the efficient implementation of both the demand creation as well as provision of quality services, it is pivotal to facilitate an enabling environment working with all key stakeholders. At the source, the stakeholders include the Local Self Governments (LSGs), various government departments, and services providers. At the destination, employers, industry associations, trade unions, LSGs, government departments, Civil Society Organisations (CSOs) and service providers are some of the key stakeholders with whom the advocacy is needed to facilitate an enabling environment.

5.1.3. Source-destination Interventions

In order to ensure a continuum of services, interventions that cover both source and destination regions, have a larger impact compared to interventions that cover only any of these. Such programmes facilitate inter-state coordination and facilitate seamless access to services for the workers and their family members. This works well when an organisation has a presence at both the source and destination regions or through collaborations of organisations at source and destination areas. For example, Aajeevika Bureau, an NGO which works in Rajasthan, Surat, Ahmedabad, and Mumbai is able to cater to workers who move from rural Rajasthan to destinations such as Udaipur within the state or to Ahmedabad, Surat, or Mumbai. Gram Vikas and CMID have been working together on such a source-destination safe migration programme. When workers from the Kalahandi district of Odisha were unable to return to Kerala for work, Gram Vikas was able to bring all such workers from various villages together, managed to get travel insurance done for each worker, and informed CMID about the requirement. CMID organised a vehicle for their interstate travel to Ernakulam district in Kerala and identified potential formal employment opportunities for the workers who were arriving. Their COVID tests at the destination were also

facilitated by CMID. CMID helped the workers who required support in opening bank accounts and as and when there was a grievance, it was addressed through synergistic efforts.

5.1.4. Public Private Partnerships

Partnerships, particularly, public private partnerships (PPPs) leverage the unique strengths of each stakeholder to maximise the impact of the interventions. While this is universally applicable, in the case of migrant workers, PPPs can be of immense help. The outpatient services of public health institutions in India, generally function during the time when the migrants are at work. Hence, the workers, who cannot afford to lose the day's wage, resort to obtaining medicines over the counter from pharmacies after their work hours. Pharmacies provide medicine to such migrants without a diagnosis. Thus, a worker with Tuberculosis ends up receiving a cough syrup instead of a referral for a sputum test that can lead to a TB diagnosis and appropriate treatment. While CMID as a non-profit has expertise in public health and is flexible to work at a time convenient to migrant workers, it did not have the financial resources to operate a mobile clinic. Responsible private sector entities have resources that they are willing to offer to NGOs for social development initiatives. While the players mentioned above, individually were not able to resolve the challenges faced by the migrant workers in accessing quality primary healthcare, they could collectively resolve it through a PPP. Mangalore Refinery and Petrochemicals Limited (MRPL) which is a public sector enterprise offered CMID the funds to procure and customise a vehicle to be operated as a mobile clinic. Wipro Limited, under its CSR initiative, supported the operation related expenditure that CMID incurred. This included human resource costs, fuel for the vehicle, and required medicines and consumables. The National Health Mission (NHM), provided technical oversight in the implementation, provided available medicines and consumables, and facilitated linkages with public health institutions across Ernakulam district so that migrants who required referral services/follow-up, are taken care of by the public health system. CMID implements the programme by operating the mobile clinic providing free primary health care to workers in the evening when it is convenient for the migrants. Thus, a collaboration of NHM, MRPL, Wipro, and CMID as a PPP is able to collectively resolve a major challenge faced by migrant workers. The LSGs, particularly in India's urban centres can substantially benefit from such PPPs.

5.1.5. Delivering Services through Mobile Units

Geographic access is a key challenge for marginalised populations in availing services. This is not only applicable for high outmigration areas which are generally remote rural areas but also for destinations where migrants have constraints in reaching out to a facility after their work hours. Services can be provided through

mobile units that reach out to the migrant communities at their convenience. The challenges faced by those who stay behind in accessing healthcare or migrant workers at the destinations can also be addressed by operating mobile medical units. CMID's *Bandhu Clinic*, every month, regularly reaches out to over 40000 migrants across several brick kilns, fishing harbours, plywood factories, fish processing units, industrial clusters, residential areas of footloose labour and marketplaces in Ernakulam district of Kerala, providing healthcare services. CMID also vaccinated over 56000 migrant workers against COVID-19 through its mobile vaccination units under NHM. Mobile toilets can be of immense utility to migrant workers where wash facilities are minimal. Mobile ration shops can deliver ration under ONORC to migrants. Mobile cash deposit machines/ATMs can help workers remit/receive money at ease. Even services such as enrolment of informal workers in the e-Shram portal can be conducted through mobile worker facilitation centres.

5.1.6. Setting up Resource Centres for Migrants

Resource Centres for Migrants (RCM) are of immense utility at the source as well as destination areas. In source areas, RCMs can help potential migrants in the migration decision-making process and facilitate their access to decent jobs by providing information about job opportunities and requirements. RCMs at source areas can help workers plan their travel, help them book tickets and obtain necessary documents such as a COVID vaccination certificate. RCMs can also help with opening bank accounts and coordinating with local administration availing social security measures. The presence of RCMs in source areas can help reduce the dependence of migrants on intermediaries who exploit them. Gram Vikas operates a Shramik Bandhu Seva Kendra (RCM) near Berhampur Railway Station, in Ganjam district, from where a significant number of workers travel to various destinations within and beyond India. The centre provides facilities for the migrants to take rest and refresh themselves while they go to their workplaces or return home. In the Thuamul Rampur block of Kalahandi district and Daringbadi block of Kandhamal district, a network of such centres ensures that workers from remote villages have access to information and documentation services. RCMs at source areas can also help the family members in tracing a person who has gone missing, releasing workers forcefully detained by employers at the destination, or bringing home the bodies of workers who die at the destinations. At the destinations, the RCMs can help workers enrol in various social security schemes of the receiving state. RCMs can also help in documenting and filing grievances of the workers with the government departments and also follow up for resolutions. Opening bank accounts, facilitation of admission of children in Anganwadi and schools, enrolling workers for vaccinations, helping workers find a job or access legal aid, etc. are some other services migrants can avail of from the RCMs at the destinations.

5.1.7. Enhancing Access to Financial Products and Services

Economic shocks are some of the major precipitating factors for migration. These include catastrophic health expenditure due to disease/death in the family, crop failures, and disasters impacting livelihoods. Repayment of loans from private money lenders, raising funds for marriage in the family or construction of a house, buying assets, etc. are some other reasons. Access to formal financial instruments at the source areas can significantly reduce economic distress and improve financial resilience. It reduces dependence on private money lenders and the resultant distress migration. Financial inclusion at source areas can also reduce dependence on intermediaries for receiving remittances and thus promotes savings. It is easier for migrants to open bank accounts at their native places compared to destinations. At the destinations, helping workers open bank accounts can improve their savings and reduce expenses on remittance. Channelling wages through bank accounts also help establish employee-employer relationships in the case of a wage dispute. Access to insurance products can substantially reduce out-of-pocket expenditure on health and in the case of death of a worker, the family gets some relief through the insurance.

5.1.8. Reaching Out to the Invisible through Helplines

At the destinations, the employers who exploit migrant workers generally prevent the NGOs from physically reaching out to migrant workers. Besides, the migrants are engaged in work in hard-to-reach locations pausing constraints on outreach. Certain categories of migrant workers, such as live-in domestic workers, have mobility constraints to reach out for help. However, helplines for migrant workers can resolve these challenges by being in touch with the workers over the phone and providing them guidance on resolving their challenges. Helplines established for migrants should be engaged not only in receiving inbound calls but also in making outbound calls to keep the workers informed on various issues. For example, many people are not aware of the first dose of the COVID vaccine they have been given and after what interval, the second dose needs to be taken. Helplines can remind and guide them to the nearest vaccination centre. Helplines are particularly handy when workers are detained by the employer or when they are in distress. The *Bandhu Helpline* operated during the first national lockdown by a consortium of organisations including CMID and Gram Vikas helped connect workers with food, Shramik trains, and legal aid. However, helplines also need good demand creation so that the workers are aware that such a helpline exists. When over 30 migrants from the Dumka district of Jharkhand were stranded in a plantation in the Idukki district of Kerala, the helpline of the Government of Jharkhand reached out to CMID which works in Kerala. The workers could be quickly freed and repatriated to Jharkhand by being constantly in touch with them on the helpline and coordinating with various government departments.

5.1.9. Ensuring Initiatives are Gender Sensitive

In the absence of gender-sensitive interventions, men and boys benefit more compared to women and girls. This is true in the case of COVID vaccination to enrolment in the e-Shram portal. Hence, it is always important to have a gender lens in all interventions. Focus on improving the welfare of women have a larger impact on the welfare of migrant households. Programmes should consider the convenience, privacy, and reach of women. From planning, implementation to evaluations, ensure that gender sensitivities are taken care of. A gender audit of the work plan undertaken at the beginning of the intervention will be helpful. Train the staff on gender sensitivities and track progress evaluating gender disaggregated data. Gathering and analysing such data and necessary course corrections will ensure that women and girls are not left behind. Specific efforts should be made to gather strategic information about women and girls among the migrant workers. Wherever possible, attempts should be made to ensure gender balance in the deployment of human resources under various programmes.

5.2. Strategies Specific to Source Areas

In this section, certain strategies that are specific to source areas are summarised. Some of such interventions include investing in the education of children in high outmigration areas, expanding livelihood opportunities to reduce distress migration, and promoting the social security and emotional wellbeing of those who stay behind.

5.2.1. Investing in Education of Children

Investing in the education of children in high outmigration areas is a strategy that has a long-term impact. Interventions to improve enrolment, retention and learning outcomes can help people leverage migration as an opportunity than getting exploited by the intermediaries or employers. Education equips people with better skills and enables them in better migration decision-making, opt for better paid jobs, helps in improved negotiations, and even reduces the need for migration. However, such interventions need to take into consideration the challenges faced by migrant families in educating their children. Hence, in addition to regular schools, schools with residential facilities can be of their help. Gram Vikas runs two residential schools where children can continue their studies in their mother tongue. Currently, in most destination states, such opportunity is limited.

5.2.2. Expanding Livelihood Opportunities

Studies by Gram Vikas and CMID reveal that if workers have a regular monthly income of around rupees 10000, they prefer to stay back and work at their native places. This calls for interventions beyond strengthening NREGS to expand livelihood opportunities of households in high outmigration areas. One of the key

reasons why migrants who returned during the national lockdown were not able to benefit from NREGS was the low wages and delay in payments. While the current level of NREGS wages helps some of the most marginalised in the rural areas have a means of income, delayed payments need to be addressed. Facilitating income diversification of migrant households can not only make them resilient but help create livelihood opportunities for others. For example, a migrant worker from Kalahandi, set up a petty shop near his house with the income earned from work at the destination, and the shop provided a dignified employment opportunity for his spouse who stayed behind at the native place. Similarly, several workers purchased autorickshaws while they continued to work at the destinations and this not only improved local public transport but also provided an opportunity for employment of others at the native place as drivers (Gram Vikas and CMID, 2019). Promoting the entrepreneurial skills of return migrants can help them leverage the experience and knowledge they have gained through migration.

5.2.3. Promoting Social Security and Emotional Well-being

Access to social protection schemes is a key aspect of ensuring livelihood security of the rural poor. In the absence of the migrant members in the family, the older and other vulnerable members find it difficult to reach out to government agencies from where these schemes are administered. This is also true in the case of accessing medical care. Village level institutions such as women's self-help groups (SHGs) and youth clubs are important resources to bridge these gaps. Strengthening local governance to enhance citizens' access to social protection schemes and enabling doorstep delivery of such services are important interventions. In many remote rural locations, the absence of telephone or internet connectivity hampers the families' ability to be in touch with their members who have migrated for work. This leads to immense emotional distress. Mobilising service providers to enhance network connectivity, promoting the use of smartphones and overall improvement in digital literacy can help address this. Self-help groups provide a platform for women to come together and provide mutual social and emotional support.

5.3. Strategies for Destinations

Inclusive governance plays a key role in ensuring the welfare of migrant workers at the destinations. Services should focus on residential areas of the most vulnerable migrant workers with a focus on prevention and preparedness. This section, details key strategies that are applicable to destination areas.

5.3.1. Inclusive Local Governance

Migrant workers are many a time discriminated as 'stress to the city' while they fuel the economy of the receiving areas as an indispensable workforce. They also spent a considerable amount of their earnings at the destinations as consumers. In 2017, the estimated annual expenditure of interstate migrant workers in Kerala was

around 100 billion rupees (Rajan and others, 2018:4). However, given the political exclusion of migrant workers at the destinations, the LSGs have not yet optimally demonstrated their accountability to migrant workers. As a result, areas where migrants reside generally lack sufficient WASH amenities such as drinking water, waste management facilities and shared toilets. Such areas also lack facilities such as crèche, Anganwadi, or primary healthcare centres. Frontline workers also often miss providing them with relevant services. Migrants are also yet to optimally benefit from schemes such as ONORC at destinations outside their native states. Obtaining a residence certificate, consideration in social security schemes such as housing for the poor, etc. are also challenges. Evictions of migrants by the LSGs are also frequent in India's urban centres. It is important that the LSGs appreciate the valuable contributions of migrants and recognise them as an integral part of the society. Inclusive governance ensures that the LSG representatives are not only accountable for the welfare of their voters, but to the entire population in the respective divisions/wards. The decentralised planning and governance of LSGs can ensure that not a single migrant is left behind.

5.3.2. Targeting Residential Areas of Migrants

Instead of expecting the migrants to reach out for services located elsewhere, bringing them closer to migrants through various strategies substantially enhance enrolment and utilisation. A key strategy is to place/offer the services at residential clusters of the most vulnerable migrant workers. This makes it convenient for them to effortlessly reach out and avail services. For example, CMID operates two Resource Centres for Migrants (RCM) in the Ernakulam district of Kerala. One such centre functions at the Bengali market, Perumbavoor which is one of the largest residential clusters of footloose labour from West Bengal. The other RCM is set up at Vathuruthy in Willingdon Island which is the largest residential cluster of footloose labour from Tamil Nadu in Kochi city in Kerala. Locating the RCMs at such locations helps the workers, particularly women and older persons to reach out and avail services that otherwise they would not be able to avail. Conducting COVID vaccination or health clinics at such locations during the evening or on Sundays, helps workers avail these services without being absent from their work.

5.3.3. Focus on Prevention and Preparedness

The national lockdown and the resulted plight of migrant workers exposed the lack of preparedness of all stakeholders towards the challenges faced by migrants. Better preparedness by all stakeholders can substantially reduce the vulnerabilities of the migrants. One of the focus areas should be interventions that reduce the vulnerabilities of migrants so that these vulnerabilities lead to an adverse event. Empowering the workers with information and resources can help prevent a lot of atrocities they face. In public health, it ranges from COVID vaccinations to antenatal care for women. In occupational safety, it ranges from the use of preventive gear

to disaster preparedness. However, such efforts call for a detailed understanding of the challenges faced by migrant workers. Hence, it is important to map areas where migrants reside/work, gather insights about their challenges and design an evidence-informed response with thrust upon prevention and preparedness.

5.3.4. Providing Services at a Location and Time Convenient to Migrants

The timings of public services in India generally conflict with the work timings of migrant workers. Hence, to go to the banks, hospitals, offices of the Department of Labour or any other government office, the workers will have to let go of at least a day's work. As a result, majority of workers are unable to avail of these services. For example, since the worker is unable to go to the bank, they resort to sending money through informal channels which are relatively expensive. Enrolments under welfare schemes for migrant workers are poor because, even if workers are aware of such schemes, the offices are closed when they can go. Offering services at a time and location convenient to migrants is a sensitive way to resolve such challenges. CMID's RCMs operate from Sunday to Friday from 1.30 pm to 9.30 pm. Besides, they are located in major residential areas of migrant workers. These enable workers to visit the resource centres on Sundays. Besides, they can walk in to the centres in the evening after their work since RCMs function up to 9.30 pm. Based on requests, on an ad hoc basis, the Department of Labour and Skills also deploys staff during evenings or Sundays to the RCMs of CMID enabling registration of workers under various schemes such as the Interstate Migrant Workers Welfare Scheme. Such arrangements or providing accreditations to CSOs to undertake such enrolments make the location and timings convenient for migrants and the uptake of services improves.

5.3.5. Ensuring 24 hours' Response

Regular office hours such as 9.30 am to 5.30 pm do not help migrant workers in distress. Hence, inclusive interventions should be able to cater to the requirements of the workers on a 24 hours' basis. For example, when a footloose labourer dies at the destination and the body needs to be sent to the native place, the fellow workers need immediate support in completing the procedures and getting the paperwork done. When a migrant is diagnosed with COVID, he/she needs to be immediately admitted to an isolation facility. When the police need interpretation support when a migrant child is sexually abused, action cannot be delayed. Hence, though resource intensive, destination interventions such as helplines may need to function round the clock and a rapid response system may be put in place to respond to emergencies.

5.3.6. Focus on Receiving Society

While most of the migrant interventions at the destinations target migrants, the challenges faced by migrant workers are primarily a culmination of the way they

are being treated by the receiving societies. This includes employers of migrants who exploit them; the trade unions who do not proactively take them in their fold; the market which overcharges from migrants; the government systems and officials who are insensitive to their challenges; the politicians who do not find themselves accountable for migrants who do not form the vote bank and the local residents perceiving migrants as a 'nuisance'. This calls for focussed interventions to sensitise each of these key stakeholders so that the receiving societies recognise migrants as an integral part of the society and appreciate their contributions. Behaviour change of these stakeholders can significantly transform the lived experience of the migrants at the destination.

6. Conclusions

With the demographic transition in India, the direction of labour migration in the country is turning towards southern states, resulting in the emergence of newer labour migration corridors. Workers from eastern and north-eastern India are now making longer moves than ever, within the country given the high wage rates available down south. Unfortunately, development aid agencies treat southern Indian states as 'relatively developed' and are less open towards funding interventions to promote the welfare of migrant workers in the region while workers from their 'priority states' live and work precariously in these states. This paper, based on the experience and lessons learned from a source-destination safe migration initiative by CMID and Gram Vikas in the Odisha-Kerala labour migration corridor, synthesises strategies that can transform the grassroots experience of potential migrants, migrants, and those who stay behind during migration. Evidence-informed programmes; an ecosystem approach; source destination interventions; public private partnerships; delivering services through mobile units; setting up resource centres for migrants; enhancing access to financial products and services; reaching out to the invisible through helplines and ensuring initiatives are gender-sensitive are some of the strategies that work across both sources and destinations. Investing in the education of children; expanding livelihood opportunities and promoting the social security and emotional wellbeing of those who stay behind are source-specific strategies that are of immense utility. Inclusive local governance; targeting residential areas of migrant workers; focus on prevention and preparedness; providing services at a location and time convenient to migrants; ensuring 24 hours' response and targeting the receiving society are some of the strategies for promoting the inclusion of migrants at the destinations. The COVID pandemic has substantially restricted mobility in general and interstate travel in particular. The COVID vaccination certificate has almost become like a passport for interstate travel. The pandemic has also exposed the poor preparedness of all stakeholders towards the challenges faced by the migrant workers. It is hoped that the experience and the lessons learned by both CMID and Gram Vikas, synthesised in this paper, contribute to designing a better and inclusive response towards mainstreaming migrant workers in India.

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New Technology, Economy and Work: Some Conceptual Underpinnings

Vinoj Abraham*

ICT production and diffusion have advanced in a relatively short period. Technology is pioneering a new economy through creative destruction. New products and new processes are replacing old ones. New industries are emerging while threatening the closure of old ones. ICTs throws open immense opportunities for economic growth and development. ICTs have the potential to accelerate productivity, de-concentrate economies, distribute income fairly, and provide decent work life. Yet, contrary to expectations, ICTs seem to have added to the existing vulnerabilities of work life. Employment opportunities have increased but vulnerabilities associated with informal employment have also increased. Wages have increased for some, while wage inequality has widened. Skill is getting unevenly distributed paving the way for further inequality. In the Indian economy, ICT production occurs within export enclaves benefitting a few, while excluding most. ICT induced employment opportunities are a welcome respite for educated unemployed youth. Yet the nature of employment through 'gig work' does not give them an escape from informality suffered by the majority of the Indian workforce. The role of the modern egalitarian State should be to build institutions and organisations, create incentive structures around the development and deployment of technologies that can direct the society to the State's professed goals.

Keywords: *ICT, Technology and Employment, Gig Work*

1. Information and Communication Technology (ICT)

Bolstering human effort to achieve myriad goals, technology has been her constant companion. Technology and humans have evolved symbiotically, shaping the future of each other. The epoch of the latest of the general-purpose technologies, information and communication technology (ICT) is altering the course of human evolution as perhaps never before. Efficient and versatile, ICTs have become ubiquitous. ICTs are converging with other technologies opening new vistas for innovation and economic development.

One of the primary features of ICTs is their versatility. Unlike capital investments that require large lump sum investments, it is amenable to small investments. Based on requirements it can be up-scaled smoothly as well. Tiny and small establishments are usually labour intensive due to the indivisible nature of capital as input. Capital is a lump sum fixed investment whose returns are reaped over its lifetime. Small establishments may produce at less efficient levels as they may

* Dr. Vinoj Abraham, Professor, Centre for Development Studies, Thiruvananthapuram, Kerala.
Email: vinojabraham@gmail.com

not be able to reach efficient combinations of inputs. Large firms, on the other hand, can take advantage of capital's fixed cost nature, installing large capital with varying capacities to produce. Yet large firms may incur considerable transaction costs in terms of monitoring and supervision across multiple production facilities. The inefficiencies in capital investment associated with the lack of scale economies and transaction costs now can be overcome due to the versatility of ICTs.

Another core feature of ICT has been its falling costs. The semiconductor chips becoming denser as proposed by Moore's law¹, followed by the invention of nano-chips have made it possible to have an even higher degree of computing speed and data storage in even smaller spaces. This had led the average computing cost to continuously decline ever since the first computing machine. Nordhaus (2001) shows that the cost per million standardized operations per second (MSOPS) declined by a factor of -42 percent per annum in nominal costs throughout the period 1990-2001.

These two fundamental features of ICTs have made them adapted to most economic activities of production, distribution, and consumption.

New products: In a short period of about 75 years ICTs have propelled the emergence of new products, both goods and services which did not exist earlier. Ever since the invention of personal computers in the 1970s, an array of personalized computing gadgets such as laptops, tablets, and mobile phones have been added to the regular consumer goods basket. The factory floors are now replacing humans with robots and artificial intelligence (AI). New services based on the ICTs are also emerging. The call centres, customer services, app-based shopping, and home delivery are illustrations of such new services emerging.

New processes: New processes of producing conventional goods and services using ICTs have emerged. Most factory floors have seen the advent of robots, artificial intelligence and IT-enabled machinery aiding production processes. Computer-aided planning, designing, manufacturing has replaced many layers of processes involving human labour in production earlier. In its newer forms, artificial intelligence and machine learning have now enabled more efficient production of goods and services, such as customized products or production for micro populations.

Bundling and unbundling of products: ICTs have also enabled many goods and services to be bundled into one product, in some cases, while also enabling unbundling of hitherto singular goods and services to multiple products. The smartphone today has the capability to displace conventional clocks, calendars, music players, recorders, hardbound books. The personal computer is a bundle of services provided by products such as typewriters, calculators, scanners, printers, music players, libraries, movie theatres, televisions. If one were to think one could

¹ Moore's Law states that the number of transistors on a microchip, double about every two years, though the cost of computers is halved.

add many more. ICTs have also enabled unbundling of many goods and services. The unbundling of production and distribution of goods has enabled the rise of some of the biggest industries in the world, the app-based home delivery of goods and services, and food. Goods delivery could be separated from production.

2. Economy

The vast technological change that is being witnessed now would have remained as inventions, important scientific breakthroughs with little real-world significance, if not for the economic implications of ICTs. Technological innovations using ICTs have been able to create such phenomenal changes in the economy on account of its enhanced ability to satisfy human wants both in terms of novelty and variety; its increased efficiency in production in terms of reduced costs and novel techniques; and its enhanced ability to match producers and consumers, reducing transaction costs. Much of the new forms of entertainment such as animation, gaming, and virtual reality tools enable humans a near-earth experience of an imaginary world, stuff that had filled dreams and nightmares. Customized goods and services, which could only be afforded by the rich were now within the reach of the masses. Choices of goods and services have also widened, making it possible to now choose to specific tastes. Efficiency in production arises out of two factors, namely increasing capital intensity in production that enables mass production and enhanced multifactor productivity due to more efficient production due to new technology. For instance, the cost of computing and data storage had declined by many times during the last few decades thus enabling cheaper, hence more efficient production of goods and services. The reduction in information asymmetries, fall in coordination and monitoring costs due to the ICTs now reduced overall transaction costs, thus making more goods and services marketable rather than to be produced within the firm itself. These changes in consumer demand, production costs, and transaction costs due to the influence of ICTs can profoundly alter industrial organization, industrial structure, and market structure.

Given the above techno-economic paradigm ICTs have the potential to drive economies to flatter organizations, smaller firm sizes, and perfectly competitive markets. The properties of versatility and falling costs could encourage the emergence of smaller establishments. The falling costs of coordination, monitoring, and supervision could now make inter and intra-industry trade more efficient and cheaper than undertaking all stages of production within the firm itself. In turn, this would imply more efficient smaller firms with flatter hierarchies. With a large number of producers having near-complete information but having no particular monopoly control over the market would now push markets towards perfect competition.

Despite the above-noted ICT induced possibilities of small, efficient firms and competitive markets what is observed is increasing market power and concentration

of markets globally. The World Economic Outlook (IMF, 2019) notes moderately rising market power and market concentration in the world during the period 2000 to 2015. Loecker et al (2020) found increasing concentration of market power within the US during the period 1980 to 2016. The mark-up increased from 21% to 61% during the period and there was re-allocation of market share from low-markup firms to high markup firms. Among other explanations offered, Van Reenen (2018) argues the rise of technology-driven super-firms that drives market concentration. The intangible assets associated with knowledge creation and information storage in other economies may create possible market dominance and concentration within a few firms.

ICTs enhanced the possibilities of intra-industry and inter-industry trade due to declining transaction costs. Yet, it is not such trade that developed, but captive global value chains. Instead of growing inter-industry trade, gargantuan firms have emerged that could operate in multiple locations, producing multiple goods and operating in multiple industries. Blockchain technology now has made complex supply chains, earlier managed by humans, now completely led by artificial intelligence, manageable under single large entities. Thus, while the world's largest firms in 1995 were automobile manufacturers or associated companies, such as GM limited, Ford, and Exxon; in 2021 the largest firm was Walmart the global retail chain, followed by the global app-based delivery giant Amazon and the digital company Apple. The falling coordination costs enabled Walmart and Amazon to match producers and consumers at low costs. The rise of the tech-companies now drives the global concentration of market power and income.

3. Employment and Labour Questions

The above-stated effects of ICT on production, distribution, marketing, industrial organization, and market structure have profound effects on labour and employment.

Employment growth and Elasticity: The effect of ICTs on the economy will impact both employment growth and the composition of workers. The employment effect of ICT would be different for the ICT producing industries, ICT enabled industries, ICT using industries, and non-ICT industries. The explosive growth of the ICT producing industries, essentially computer software and hardware; the communications industry, internet service providers, and other allied sectors producing ICT goods and services has led to a surge in demand for labour with ICT skills. Surveys indicate that globally ICT skills that include technology and data management skills are the most sought-after labour currently². ICT-enabled industries, such as the e-commerce industry, call centers, back and front office operations, Business Processing Operations and Knowledge Processing Operations, app-based services catering to various industries have generated

² <https://www.indeed.com/career-advice/finding-a-job/in-demand-skills>;

substantial employment on account of the new services and products. Their sustained growth in the past few decades has led to the growth in demand for labour with intermediate skills.

However, the growth of these industries has also paved the way for the weakening of other conventional industries. ICT products are often more efficient substitutes to existing products. For instance, the mobile phone, as discussed earlier, maybe replacing the conventional clock and watch-making industry. The bundling of goods and services into ICT goods may cause a fall in employment in conventional industries. The process of creative destruction in the economy thus could lead to both employment creation and destruction. The net volume of employment creation would depend on the loss of employment. But all new employment created due to this process would be within the IT producing sectors even though the displaced employment may be in other industries.

The demand for labour within the ICT using industries, those conventional industries which are now using newer technologies to produce their goods and services would also experience a rise in demand for skilled labour to complement technology intensity. Here, Skill biased technological change would create demand for skilled workers, while would reduce the demand for less-skilled workers.

In the final count, the net effect of ICT on employment growth would depend on the positive scale effect of output in the ICT economy (producers, enabled industries, and users) and negative scale effect on account of ICT products' substitution for non-ICT products and substitution of skilled labour for less-skilled labour. This apart, the growth of the ICT economy may not fully turn out into employment growth. In fact, the employment elasticity of output in the ICT economy may be substantially lower than conventional industries, owing to the fact that growth in the sector is driven by productivity and efficiency increase rather than input expansion. This nature of economic growth would imply low employment elasticity within the sector.

Skills and skill redundancy: The ICT economy is built on human skills. The expansion of the ICT economy drives the demand for different skills as well. The growth of the ICT economy propels employment growth of specific skills while the demand for other skills declines. However, skills demand is not a static condition, but a dynamic one. The ICT producing industry is ever evolving. New products and processes are generated based on new computer languages, programmes, software, and platforms. This dynamic environment requires a skill set that is continually upgraded. Acquired skills are quickly subject to obsolescence. Therefore, tech workers are continuously skilling and reskilling to keep themselves relevant to the labour market. This requirement for continuous learning and reskilling makes ICT labour redundant early in their life cycle having to give way for younger and more skilled workers.

In the ICT-enabled industries, while the demand for human labour is increasing the demand for human skills is declining. As more information of the market is becoming codified and standardized such information gets packaged into routine software. Increasing knowledge of the market now embedded within the software reduces the need for human interventions. In fact, with machine learning and artificial intelligence, it has become possible for machines to mimic human thinking in many cases leaving only the physical labour to be conducted by humans while the cerebral parts of the production process may now be replaced by AI. With increasing possibilities of codification and routinisation of knowledge, even in the ICT using industries, artificial intelligence may complement human acumen. The demand for labour in the ICT using industries may be the worst affected as unskilled labour may now be replaced by machines, while many types of skilled labour may also be replaced with artificial intelligence.

Wages and productivity: Labour productivity in the ICT producing sector is relatively higher than the other sectors owing to the skill-intensive nature of production. It follows that wages and salaries are also comparatively higher than the rest of the economy. Yet, productivity may not be the only reason for higher wages in the sector. The growing demand for high-skilled labour in the sector requires that the sector, in general, may be incurring higher labour costs in terms of costs of mobility or costs associated to smoothen labour market frictions. This apart firms may be paying workers compensatory wages for the risks associated. Tech jobs are prone to occupational hazards and diseases due to long hours of desk jobs and working through nights. Firms also may be paying higher salaries to reduce worker attrition. ICT producing firms face high rates of worker attrition owing to inter-firm competition for skills. Efficiency wage, above the average prevailing wages to create firm loyalty is a standard practice to retain and attract skills.

In the ICT-enabled industry as mentioned above, human skills are increasingly replaced by artificial intelligence. To the extent that AI can substitute human skills the physical labour associated will now be attracting wages only to the physical productivity of labour. This implies that as the requirement for skills in humans is less in demand over time the wages in the sector may stagnate. Moreover, the skillsets required in the ICT-enabled sectors are in large supplies and the skills are easily transferable. The easy substitutability of humans with artificial intelligence and other humans keeps the wages low. Thus, wages and salaries in the ICT-enabled industries are generally low compared to the ICT industries and the wages are not different from similarly skilled employment in non-ICT industries.

Changing nature of work and the emerging labour process: Perhaps the strongest effect of ICTs is the change in the way work is being organized. Work participation, labour control, and discipline in the modern industrial age were centred around the mass-producing assembly line production system. The dispensation of human labour was designed according to the technology and machinery that complemented labour. Repetitive tasks were done by workers in large groups with a strict work schedule.

Work was disciplined and controlled by managerial and supervisory staff. The pay was designed on time to spend in the workplace, say daily or monthly basis, and pay often consisted of packages that encouraged long-term attachment to the firm. The pay was also similar to workers who engaged in the same type of activities.

Work organization has dramatically shifted in the ICT economy. The ICT producing firms, even the very large ones, are engaged in products and services that are customer specific. Their outputs can be typically replicated costlessly, but every new output can be different from the previous. The typical large firms remain large not due to the scale economies in production, as is the case with the fordist production units, but due to the economies of the network, economies of clustering, and agglomeration. The typical firm is engaged in multiple products and services at the same time. The organization of production in such firms requires their workers to expend their skills on producing different outputs. Trained in a few languages/ platforms they would contribute using their skills but maybe working in different domains from project to project. Work in this context cannot be controlled and disciplined using managerial or supervisory staff. It is through the design of pay and incentives that labour is disciplined. Workers are traced and tracked using standard tools of productivity or efficiency measures and pay and perks are attached to their periodic assessments. Often workers in the same team may end up getting different pay and perks. Work is fragmented and the worker is individuated in the ICT economy whereas in the industrial economy, work is routinised and workers are collectivised. Wage bargaining is also an individuated process in the ICT production sector, compared to the collective bargaining process in the industrial economy.

ICT enabled sectors, on other hand saw the emergence of a new type of work system itself. Work in the ICT-enabled sector was now converted to small parcels of tasks that could be completed by persons with intermediate skills. The typical firm had a core set of employees with ICT skills or managerial skills. This apart, the firm would have many workers who are appointed on contractual terms where the workers are defined as not employees but often as partners. A large number of such workers are not paid wages on-time rate but on the piece rate, based on completion of the tasks. The workers are free to move from one firm to another or take multiple tasks. In other words, the firm is partnering with the worker to complete a task and the worker would be paid a fixed amount for the task completed. Typically named as 'gig and platform workers' they are not covered under any social security benefits and can be laid off at will. Firms place immense control over these workers and discipline these workers using tech tools and incentives. The core workers of the firm are in charge of the logistics and are responsible for controlling and disciplining these workers.

The ICT using industries too experience a transformation in industrial relations. Though the production organization is still fordist in nature, the increasing application of AI and robotics may now make less-skilled workers and even intermediate skilled workers redundant.

Skill polarisation, wage inequality, and wage squeeze: The changes in skill demand and productivity in effect would imply skill polarisation, where the economy would be characterized by one set of highly skilled workers and another set of less-skilled workers whose skills are progressively eroded or de-skilled. Wage inequality would be widening in the economy. The labour market may be characterised by a few highly skilled workers and a large number of less-skilled workers. Moreover, the concentration of the ICT economy into large monopoly conglomerates would keep the wage component stagnant with a larger share of the value addition appropriated as profits. The market power and market concentration of these large firms would now render their workers powerless. Moreover, such conglomerates growing as global value chains ensure that profits can be extended by reaching out to labour surplus regions, expanding employment without increasing wage share. The ICT economy can thus be producing a fragmented labour force, with a widening wage gap between workers and a widening income gap between workers and entrepreneurs.

4. ICTs in Indian Labour Market

The Indian labour market is characterized by the following features: the increasing presence of a large number of urban youth with intermediate education in the labour market owing to the demographic transition; high rates of unemployment among the youth, especially educated youth; the prevalence of low wages and persistence of informal employment. The economy is marred by high rates of income inequality and the persistence of a large share of the vulnerable population. The economy also faces infrastructure challenges such as the digital divide; high concentration of digital infrastructure within the large cities, while rural areas remain out of digital reach.

These features of the Indian labour market pose a peculiar position for the deployment of ICTs in the Indian production systems. ICT production has prospered within limited urban spaces such as Bengaluru, Hyderabad, Delhi, and other regions. These ICT producing sectors are like enclaves, still largely export-dependent, highly productive with a lean workforce that is paid high in comparison to the rest of the workforce. The large presence of unemployed educated youth enables a suitable opportunity for the 'gig economy' to proliferate. The gig economy is capable of absorbing this large population. However, they would be absorbed only at poor wages and working conditions. Given the high rates of unemployment, this acts as a disciplining mechanism to ensure that the workers remain with the firms without bargaining for better wages and working conditions. The poor income and vulnerable conditions under which households survive, force the workers to take up any job that is on offer. But even these low-quality gigs may be welcome to a populace whose alternative may be to remain unemployed or work in the urban informal sector with even worse conditions of work.

Though it is generally argued that the ICT using industries may now turn to automation, in India this may be limited. The diffusion rates of ICTs in India are

limited due to various factors, including poor distribution of internet and electricity. Given the lack of these public infrastructures, the firms may require depending on private and usually more expensive infrastructure facilities for using ICTs in their production process. On the other hand, firms have ready access to labour that is cheaper. Labour, without their bargaining capacities, probably is seen as a more efficient solution now than using ICTs in the conventional industries. Automation is feared as a great threat to the vulnerable labour and hence may desist from bargaining. Thus, in the Indian scenario, automation may not displace labour in the immediate future, but the threat to automation would be used as a tool to control and discipline workers.

5. Concluding Remarks

ICTs pose opportunities to the economy. Within ICTs lie the potential to create a fairer and judicious world. Within ICTs lie the promise of a world without inequality and poverty. ICTs are capable of driving economies to higher levels of growth and development at the same time distributing equitably. But these opportunities are only seized when appropriate institutional mechanisms are in place to guide and regulate the new technologies to such higher purposes.

Through the use of ICTs, it is possible to imagine strengthening of collective bargaining, monitoring labour regulations, and spreading development to the inaccessible and marginalised population. There are many experiments that have tested these and were successful too.

Yet, we know that the ICT economy is now an arena for concentration of wealth, fragmentation of labour, disciplining and controlling with huge income disparities, and increasing vulnerabilities. Is it the doing of ICTs? Or is it that the economic opportunity provided by ICTs is being exploited by the existing powers that convert such opportunities to further wealth aggregation?

ICTs open up immense opportunities. How it develops in a society is a reflection of the society's view of how its citizens should be treated. The role of the modern egalitarian State should be to build institutions and organisations, create incentive structures around the development and deployment of such technologies that direct the society to the State's professed goals.

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Sector-24, Noida-201 301, U.P., India

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