

# Vulnerable Employment is a Socio-Economic Challenge in Indian Perspective

[https://doi.org/10.21272/sec.4\(2\).69-79.2018](https://doi.org/10.21272/sec.4(2).69-79.2018)

**Amit Gupta**

Masters in Pure Mathematics, Ex Cadre of West Bengal Higher Statistical Service, Retired Additional Director (In Charge), Bureau of Applied Economics and Statistics, Advisor, Group of Swami Vivekananda Management & Technical Institution, Kolkata, West Bengal, India

**Moumita Guha**

Masters in Economics, Assistant Director, Directorate of Census Operations, West Bengal under Office of The Registrar General & Census Commissioner, M/o Home Affairs, Government of India, India

## Abstract

This paper summarizes the arguments and counterarguments within the scientific discussion on the issue of vulnerable employment prevailing in Asia with special emphasis on India. The main purpose of the research is to explore the infusion and extent of vulnerability in the workers domain and how in the Indian perspective it poses a socio-economic challenge. Systematization of literary sources and approaches for solving the problem of vulnerable employment indicate that such employment is not sustainable and is not conducive to a robust workforce, steady economic growth and social stability. In fact evidence suggests that such trend leads to social unrest. The relevance of the decision to probe this scientific problem is that, there exists a need to review the classical definition of vulnerable employment in the Indian scenario and examine how certain socio-economic factors affect the occurrence of vulnerable employment and/or reinforces the adverse effects of vulnerability on the already affected labor force. In this paper, investigation of the topic is carried out in the following logical sequence. First the scope of vulnerable employment in India is specified. Subsequently socio-economic parameters are identified that are responsible for and responsive to it. The methodology used here is a narrative one based on Statistical Reports and Results of Census and other socio-economic surveys by reputed Governmental and NonGovernmental Organizations. Reports and Results of these organizations have been chosen owing to their worldwide coverage such as the ILO (International Labor Organization) Reports and also pan Indian coverage as in Results of Census by Office of The Registrar General & Census Commissioner, India, Government of India (GoI), Statistical Reports of National Sample Survey Organization (NSSO), GoI, Central Statistical Organization (CSO), GoI and Ministry of Labour, GoI. The availability of relevant and recent datasets has been taken into account in choosing them. The results of the analysis presented in the paper is that factors like Gross Domestic Product (GDP), Gender Gross Domestic Product (Gender GDP), Living Standards, Labor Laws and Terms of Employment, The Means of Earnings of the Employed, Educational Qualification and Skill Set, scope of Job Enrichment through Professional avenues and Skill Enhancement opportunities, favorable work environment are some factors that actively contribute to the making of and deepening the vulnerability component in labor force. The paper empirically and theoretically proves that addressing the issue of vulnerable employment requires major socio-economic changes and poses a challenge for countries like India. The results of the research can be useful in mitigating the problem at hand by undertaking reforms that influence these identified factors. Reforms need to be undertaken on multifarious platforms both by Governmental and key NonGovernmental agents. The results may further be used for future research to develop a composite index to assess the extent of vulnerable employment, based on the above discussion along with additional identified factors. This will help to take effective steps towards addressing the issue, else other attempts to bring about equitable growth, social justice and poverty alleviation might be thwarted.

**Keywords:** vulnerable employment, India, labor statistics, socio-economic challenges, means of earnings, job enrichment, gender GDP, work environment, female work participation, work participation rate, Consumer Price Index.

**JEL Classification:** E24.

Cite as: Gupta, A., Guha, M. (2018). Vulnerable Employment is a Socio-Economic Challenge in Indian Perspective. *SocioEconomic Challenges*, 4(2), 69-79. [https://doi.org/10.21272/sec.4\(2\).69-79.2018](https://doi.org/10.21272/sec.4(2).69-79.2018).

© The Authors, 2018. This article is published with open access at Sumy State University.

## 1. Introduction

Strategies for economic growth and development are associated with the understanding that there is a social need to evolve to a 'better' life. We learn from the management sciences famous Maslow's 'Hierarchical Needs Model' that the basic object is to focus on the issues of survival of humans by fulfillment of their 'Needs' from First Order Physiological Need through Second Order Safety and Security Need to Third Order Social Need. The Goal No.8 of Sustainable Development Goals (SDG) of UN Post 2015 Development Agenda envisions 'Decent work and Economic Growth'. Vulnerable Employment endangers this vision and bars the transition from lower hierarchical need to higher one. According to the International Labor Organization (ILO) – "*Workers in vulnerable employment are less likely to have formal work arrangements and are therefore more likely to lack decent working conditions, adequate social security and 'voice' through effective representation by trade unions and similar organizations. Vulnerable employment is often characterized by inadequate earnings, low productivity and difficult conditions of work that undermine workers' fundamental rights*" (Source: <[www.ilo.org.WCMS\\_lang-en](http://www.ilo.org/WCMS_lang-en)). Matter of agony is that, it is revealed from United Nations (UN) estimates that the size of vulnerable workers is 1.4 billion worldwide - majority of which belongs to Asia- and an additional 17 million are expected to join rank per year in 2018 and 2019. (Source : World Employment and Social Outlook, Trends 2018). In the Indian context, population figure according to The Census of India 2011 is 1,210,854,977 persons and 730,072,019 persons lie in the Age Group 15-59, which is almost 60% of the population. Popular projections suggest that by 2020 about 50% of the country would be below the age of 35 years. Given the size of its population and the demographic dividend factor, a rise in the number of people in the vulnerable employment category may lead to serious repercussions on the economy and society.

Major results in the World Employment Social Outlook, Trends 2018 publication of the International Labor Organization (ILO) states that (a) globally, the pace of working poverty reduction is too slow to keep pace with the growing labor force in developing countries and moderate working poverty remains widespread in both developing and emerging countries (b) inequalities in labor market outcomes persist in the form of reduced job opportunities for youth and women (c) projected structural shifts to the service sector could create complex pressures on job quality as the incidence of poor working condition is higher in this sector compared to industry (d) women tend to have low quality, less paid jobs and have greater likelihood of being in vulnerable forms of employment (e) fast labor force growth in regions with poor working condition jeopardizes progress. A pertinent point has been indicated by the Social Unrest Index in that labor market challenges and poor socio-economic conditions will lead to increase in social unrest.

In the paper on 'The Effects of Unemployment and Insecure Jobs on Well-Being and Health: The Moderating Role of Labor Market Policies', authors Jonas Voßemer, Michael Gebel et al have shown that compared to secure jobs, insecure jobs have a negative effect on well-being and health of individuals and active labour market policies (ALMP) can weaken this negative effect. With respect to Employment Protection Legislation (EPL) it was found that in countries with high insider protection, deregulating the restrictions on the use of temporary employment increases the negative effects of unemployment on wellbeing and health. In 2015, Elana Pirani in her research paper 'On the Relationship Between Atypical Work(s) and Mental Health: New Insights from the Italian Case' has scrutinized the association between four major domains of mental health- vitality, social functioning, role emotional and general mental health- and several types of atypical work contracts like temporary, casual, part-time by choice permanent, part-time by choice temporary and found that mental health is compromised in atypical working arrangements depending on the specific atypical contract considered. Therefore the issue of vulnerable employment which encompasses the labor market challenges mentioned has to be taken up in right earnest to ensure sustainable development and prevention of social unrest.

The Fifth Annual Employment – Unemployment Report 2015-16 of The Labour Bureau, Government of India, puts the Labour Force Participation Rate (LFPR) at 50.3 per cent based on usual principal status (UPS) approach and 52.4 per cent by Usual Principal and Subsidiary Status approach (UPSS) at All India level for persons aged 15 years and above. Saddled with this considerable LFPR and eager to reap the benefits of its Demographic Dividend, the focus of Indian policy makers is to generate employment by all means and increase the number of 'employed' persons. In the process, quality of employment being generated is often overlooked. However undermining the aspect of 'vulnerable employment' is not sustainable.

An insight into the issue of vulnerable employment reveals that an assessment of such need based issue must take into account the basic structure of the socio-economic parameters of the concerned population segment.

## Objective

The basic objectives of the paper have been to (i) identify the domain of vulnerable employment especially in Indian perspective which may be different from the classical definition of vulnerable employment, (ii) identify the factors which cause and influence such employment situation, (iii) put pointers to policy decisions (iv) provide basic elements for constructing an index in future to assess the vulnerable employment situation and the data environment from which data may be got.

## 2. Methodology and hypothesis

A narrative approach has been adopted in discussing why the definition of Vulnerable Employment as per the United Nations has to be reevaluated in the Indian perspective and how several socio-economic factors are responsible for enhancing the probability of incidence of vulnerable employment and reinforcing the vulnerability component of the population already falling in the category. Results of Census and Surveys by reputed Organizations have been cited in support of the observations and Remedial Measures suggested along with. It is held that the performance of these parameters has to be monitored to assess the issue at hand and in this context the data sources available are explored.

The basic hypothesis is that parameters like Gross Domestic Product (GDP), Gender Gross Domestic Product (Gender GDP), Living Standards, Labor Laws and Terms of Employment, Means of Earnings of the Employed, Educational Qualification and Skill Set, scope of Job Enrichment through Professional avenues and Skill Enhancement opportunities, Favorable Work Environment are some parameters which have a direct bearing on vulnerable employment. Some of them are also conversely affected by it.

## 3. The infusion and extent of vulnerability in the workers domain

**Scope:** The United Nations puts forth the definition of vulnerable employment as those who are under the category of 'Own Account Workers' and 'Family Workers'. Their work is of the nature of Self Employment jobs where remuneration is a component of profits and exposed to the risks of the market.

Own Account Workers include those with one or more partners and members of producers' cooperative and there are no employees engaged on a continuous basis. Contributing Family Workers live in the same household as the entrepreneur and the establishment is market oriented. The third category of Workers in The International Classification by Status of Employment 1993 i.e. The Wage and Salary Worker with specific terms of employment –written or oral- and remuneration not directly and immediately related to profits, is altogether kept outside the domain of vulnerable employment (the fourth category is the workers not classified under any of the above status including those for whom data is not available). In the Indian context though, the heterogeneity in the structure of the market and its size augurs a differentiation to be made between workers within this third category who may not be considered vulnerable and others who in spite of being in this category need to be considered within the ambit of Vulnerable Employment because they show most of the characteristics of vulnerable employment like lack of formal work arrangements, decent working conditions, lack of social security, inadequate earnings, low productivity etc. Thus employment of wage and salaried workers in the unorganized/informal sector which typically operates on a small scale and has less free capital to absorb market shocks, is as much exposed and vulnerable as Own Account and Family Workers. Considering the whole of the unorganized/informal sector would not be fair though and sub groups have to be identified for qualification on the basis of more specific criteria. One such may be the workers who work on oral terms, other those who do not have benefits like insurance and provident fund, medical facilities, paid leave and so on. The size of the above pool is revealed by the 5<sup>th</sup> Annual Employment-Unemployment Survey of The Labour Bureau which show that at the All India level, 64.9 per cent of the regular wage/ salaried workers, 67.8 per cent of the contract workers and 95.3 per cent of the casual workers do not have a written job contract. Only 27 per cent of the regular wage/salaried workers and 11.5 per cent of the contract workers had written job contract of more than three years. At the All India level, just 20.6 per cent of workers except self-employed received paid leave and 21.6 per cent availed social security benefits. A majority 71.2 per cent of workers were kept out of the purview of social security benefits.

Contractual Employment with short tenure in both unorganized/informal and organized/formal sector would qualify as vulnerable employment and this type of employment is on the rise in private and public sector jobs.

Another set of workers working in the un-organized/ informal and on the fringe of the organized/ formal sector are the Home Based Workers / Outworkers or workers who are not employed by the Establishment directly and generally work through third party contractors of the big establishments mostly through verbal arrangement. They are prevalent in the Manufacturing Sector/ Construction / Information Technology Industry where they work for piece rate, sales contract or any other unit of work in return for labor charges in cash or kind. Among them in some cases materials and all else apart from labor is provided to them. They are free to choose to work at their preferred place. Depending on more specific terms of understanding between the workers and job contractors some are classified as Self Employed and the others are grouped in The Wage and Salaried Class. (This categorization is debated and it is clear that home based workers cut across existing categories.)

According to The Labour Bureau, Government of India 5<sup>th</sup> Annual Employment Unemployment Survey, only 60.6 per cent of the persons aged 15 years and above who were available for work for all the 12 months during the reference period were able to get work throughout the year, at the All India level. In rural areas, 52.7 per cent of the persons aged 15 years and above who were available for work for all the 12 months during the reference period were able to get work throughout the year at the All India level, whereas the corresponding figure for urban areas was 82.1 per cent.

At the All India level, 46.6 per cent of the workers were found to be self-employed under the Usual Principal Status Approach followed by 32.8 per cent as casual labour. Only 17 per cent of the employed persons were wage/salary earners and the rest 3.7 per cent were contract workers.

It is well understood that Wage and Salaried Employment does not stand for continuous and robust employment status i.e. all workers in this class are not employed by usual status of activity. On the contrary a vast majority of these workers belong to usual subsidiary status where they have worked on a non-major time criteria. In fact around 3 per cent of the Indian population was employed only in the subsidiary status (National Sample Survey 68<sup>th</sup> Round Employment-Unemployment Survey).

Thus, from the above discussion it is evident that, in the Indian scenario vulnerable employment is not restricted to Own Account Workers and Family Workers but spread over other domain of considerable size like contract workers, casual staff, home based workers of the wage and salaried class and the scope may further be refined with provision for availability of data on them. A lukewarm market, an economy of slow growth with low employment opportunities puts such employment under strain well enough to categorize them as vulnerable employment.

The gravity of the matter is genuinely established when we see that even from the range bound definition by the International Labor Organization, vulnerable employment affects three out of four workers in India. (Source: "World Employment & Social Outlook – Trends 2018")

2. Further contemplation reveals that a comprehensive assessment of vulnerable employment must depend not only on the infusion of vulnerability by dint of definition but also a slew of socioeconomic parameters which reflect to what extent the vulnerable employment component delves into the socio-economic structure of the concerned population segment.

Thus it is unveiled that a major socio-economic parameter which is adversely affected by vulnerable employment - characterized by low income and greater exposure to risk – would be the Living Standards of the concerned population segment. In turn poor living standards reinforce and reflect the vulnerability in the target population. The Living Standards indicators need to be seen at both macro and micro level. The micro level would give the occupation wise industry wise picture of the vulnerable population group and the macro level would give us the broad perspective.

Gross Domestic Product and per capita income (PCI) are most common measures of the Standard of Living. The Real GDP per capita adjusts the inflation rate. The Gross Domestic Product is a measure of the economic growth and development of a country which reflects the health of the economy. A strong growth rate is most likely to increase employment and provide decent means of living to the people. If the economy is growing in a robust manner there will be more employment opportunities and less uncertainty among the labor force. More demand will give greater bargaining power to labor to secure better employment conditions in addition to getting employed. As the ILO puts it in 'The World Employment and Social Outlook' Trends 2018 – *"First, lower growth means that the average standard of living rises at a slower pace, which negatively affects the potential of an economy to lift people out of poverty (SDG1). Second, there is a clear inverse relationship between level of development and the incidence of vulnerable employment, so that slower growth implies that vulnerable employment will be more persistent."*

So the obvious policy decision for the Government is to build conducive atmosphere for economic growth and development which is sufficiently labor intensive and covers all sectors – primary, secondary, tertiary and is able utilize all types and levels of skills. Although GDP cannot accurately capture some vital aspects of human development like health, educational standards of the society, environmental degradation it is believed to be the best single parameter of a country's welfare which helps to decide the sector specific financial allocation for incurring expenditure by the Government.

3. Another aspect is The Consumer Price Index (CPI) which reflects household income and consumption patterns dominates and influences the Standard of Living indicating whether the basic needs are fulfilled or not. The CPI captures the relative change in prices over time of a given consumption basket consisting of various goods and services. These items are classified into (i) Food, Pan, Tobacco, Intoxicants, Fuel & Light (2) Clothing and Footwear (3) Miscellaneous Goods and Services including Durable Goods etc. The groups of Own Account Workers, Family Workers, Casual Workers, Marginal Workers, Home Based Workers, Short Term Contract Workers are exposed to market risks and either have low income or are unsure about their future incomes or both. Hence they are more likely to have poor levels of living.

Now the CPI is a unique indicator having the characteristic of deriving estimates of per capita income and poverty level determination. 'The World Employment and Social Outlook' Trends 2018 points out that, *"In 2017 there are still around 300 million workers living in extreme poverty in emerging and developing countries, a figure that rises to more than 700 million when those classified as moderately poor (i.e. living on less than US\$3.10 per day in PPP terms) are included. Worryingly, the rate of progress has slowed down, and in developing countries progress is failing to keep pace with the growing labor force. Consequently, the number of extreme working poor in the developing world is projected to remain above 100 million, meaning that more than one in three workers in developing countries are still expected to be living in extreme poverty in the years to come. This will make it difficult to achieve the objective of eradicating poverty set out in the SDGs, specifically SDG 1."*

Thus the Government would do well to keep an eye on the CPI figures of the vulnerable employment group and work to achieve desired levels of per capita income and working poverty reduction thus preventing rise in incidence of Vulnerable Employment as also moderating the effects of risks and uncertainties of those already in the group.

4. The Consumer Price Index reveals an instant picture of the target population and where it lies in the socio-economic ladder but what does it conceal? The CPI gives no clue regarding the quality of the 'Means of Earnings' and 'Occupational Distribution compatible to the Area of Interest' of the target population. Is the Means of Earnings below or not connected to the learned skills and educational qualification of the employee forced to 'adjust' in the bleak market scenario to a poorer quality job. This aspect must be probed and answered. Employment arising out of the above becomes unskilled in its area of employment and less productive; will add less value to the trade and will be quickly replaceable in hard times and vulnerable. Presently in India there is a multitude of Institutes imparting engineering degrees and a generation of parents has taken much pains and financial burden to enroll their children in them. Now when this highly qualified pool has joined the workforce there is absence of sufficient industry demand. This lopsided development is taking its toll on these people who may be are employed in lesser capacity jobs which would not be 'decent' to them. This goes contrary to the UN objectives which endorses a workforce having a decent employment. In fact in its 'The World Employment and Social Outlook' Trends 2018, the ILO has specified that the Asia Pacific region including India will create additional 23 million jobs with poor quality when the global unemployment rate have been stabilizing after a making higher trend in 2016.

At the All India level, 58.3 per cent of unemployed graduates and 62.4 per cent of unemployed post graduates cited non availability of jobs matching with education/skill and experience as the main reason for unemployment followed by non-availability of adequate remuneration cited by 22.8 per cent of graduates and 21.5 per cent of post graduates (Source : 5<sup>th</sup> Annual EmploymentUnemployment Survey of The Labour Bureau, GoI).

The Government has been trying to distribute economic growth in all sectors of the economy – primary, secondary, tertiary and in all kinds of industry within the sectors – agriculture, manufacturing, trade, service sector for labor to benefit from education and find employment in the industry. Vis a vis the Government must have a clear vision of emerging market and make provision for aligning education and skill development to cater to it in a balanced manner.

5. Finding the right employment against a learnt skill and educational qualification does not guarantee insulation in the long run or during the entire span of the years in the labor force. To establish its emerging economy within the global framework India must develop a workforce which responds to the International Labour Market mechanism. Enhancement of professional capability through avenues for Job Enrichment is considered a must in today's work environment. New skills are to be acquired and old skills honed, emotional intelligence to be developed along with technical know-how.

Not so long ago in India when Information Technology was beginning to change the way of conducting business computers were made available in the workspace soon enough but it took years to take advantage of them as the existing employees were untrained and dedicated plan for such training was missing. Improved and radical business solutions were present long before they were actually explored by Indian business managers. Such time lagged response of the employed force will not do if India hopes to compete internationally and emerge as a global economic power. Such employed labor force is vulnerable and both Governmental and Non-Governmental forces need to take cognizance and act accordingly.

As per the National Skill Development Mission Document, Government of India, the country currently faces a severe shortage of well-trained, skilled workers. It is estimated that only 2.3 per cent of the workforce in India has undergone formal skill training as compared to 68 per cent in the UK, 75 per cent in Germany, 52 per cent in USA, 80 per cent in Japan and 96 per cent in South Korea and large sections of the educated workforce have little or no job skills, making them largely unemployable. (GoI, National

Skill Development Mission). The Government has introduced the scheme by the name *Din Dayal Upadhyay Gramin Kaushal Yojana* to equip people in the available for employment group to become skilled / semi-skilled by imparting training skill free of cost including those experienced but not certified as skilled workers with the object to enhance career opportunities and shift from informal to formal sector.

6. Tenure of Employment is a big factor in making employment vulnerable. Marginal Workers, Seasonal Workers, Workers in the usual subsidiary status are the ones who figure in the employed workforce data but in reality are far from having a decent livelihood. The dimension of this marginal, subsidiary, seasonal group is captured from the data of decennial Census, quinquennial Employment Unemployment Survey of NSSO and the Annual Survey of Employment and Unemployment by Labour Bureau and also from Census.

7. Work environment factors like protection from professional hazards, availability of health care facilities, maternity and child care facilities affect all the labor force. Lack of these facilities increases the probability of incidence of vulnerable employment and reinforces the vulnerability of those already in the category. Even now a chunk of the female workforce is forced to quit their job for child bearing because adequate paid leave is not available and regular work demands long hours in a not so sensitive workspace. While there is some awareness and some policies in place, they are few and far between. For instance the Government Sector does provide some relief in the form of granting Maternity Leave of four to six months (figures vary within State Governments) and many private sector employers are arranging for flexible hours, work from home and crèche facilities for the female staff. But the incidence of beneficiaries is too little to merit as successful policy implementation.

8. The Gender GDP depicting the contribution of the female worker is another factor to watch out for. Enhancing female participation in workforce translates to greater opportunities in exploiting the

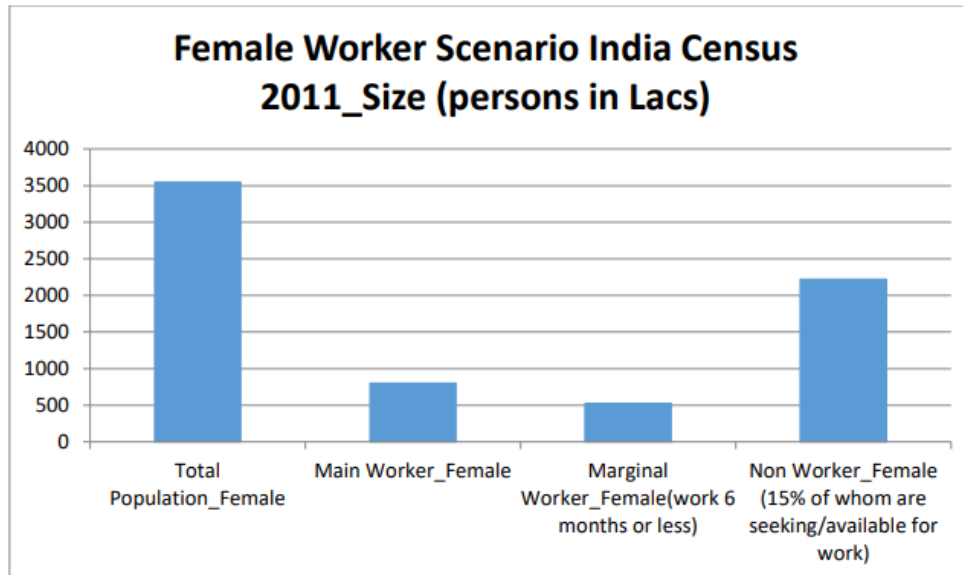
Demographic Dividend leading to a higher rate of growth. It is seen from data environment that India's Rank is 120 out of 131 nations & lowest in BRICKS G-20 Countries with the 2nd lowest female labor force participation rate in South Asia whereas India is the 2nd largest populous country & only 27% women belong to workforce. (Source: ILO).

Reducing gender gap in access to education and workforce composition can create an environment conducive for economic magnification and diversification. It will reduce Gender based Income Inequalities and induce sustainable growth in macro economy.

Indian Government must come forward to apply all possible means to provide adequate assistance including removing Social Barriers to make use of women's potential as key part of gender parity narrowing gender gap. Gender equality will provide an incredible opportunity by promoting Women Inclusion across all Industries/Occupations irrespective of corresponding code.

The 4<sup>th</sup> Employment Unemployment Survey of NSSO also revealed that the LFPR for women was significantly lower than that for males in both rural and urban areas. The present survey divulges similar trend with LFPR for women at All India level further declining to 23.7 per cent as compared to 25.8 per cent of earlier result.

The Female Worker Scenario is captured in the Census 2011 data as in figure below showing that still a vast majority of the female population is outside the labor force.



**Figure 1. Female Worker Scenario in India – All India Census 2011**

Source: [www.censusindia.gov.in](http://www.censusindia.gov.in).

Thus vulnerability pervades the labor force and directly affects the socio-economic fabric of the target population. To ignore these aspects is to ignore the socio-economic implications for the country as a whole. Government and non-governmental players must take cognizance of the developmental factors involved in reducing the incidence and probability of incidence of vulnerable employment. Governmental policy should stipulate and enforce Laws and Regulations that protect the employed from the uncertainty in these factors.

For true rationalization of the elements, establishment of Natural Justice must be enforced in the country through provision for and accessibility of resources and legal environment for conflict resolution.

### 3. Data environment & means of measurement

Exploring the data environment of Labor Statistics and Socio-Economic data in India it is seen that *Ministry of Labour, Government Of India (GOI) (through the offices of Labour Bureau, Directorate General of Employment and Training(DGE&T), Directorate General of Labour Welfare (DGLW) and Directorate General Factory of Advice Service & Labour Institutes(DGFASLI)), the Ministry of Statistics and Programme Implementation, GOI (through the Central Statistical Organisation and The National Sample Survey Organization),*(1)The Office of the Registrar General & Census Commissioner, India, Ministry of Home Affairs, Government of India providing Census figures along with the Directorate of Economics and Statistics of the State Governments are the most important sources.

The Gross Domestic Product (GDP) of the country is published by The National Accounts Division (NAD) wing of The Central Statistical Organization in its annual publication titled 'National Accounts Statistics'. It also provides quarterly estimates of Gross Domestic Product at current and constant prices, estimation of State-wise Value Added and Gross Fixed Capital Formation of supra-regional sectors of Railways, Communication, Banking & Insurance and Central Government Administration, comparable estimates of State Domestic Product.

A pivotal item to measure Levels of Living is the Consumer Price Index for Industrial Workers (CPIIW) compiled by the Labour Bureau, GoI based on household income and consumption pattern wherein *household consumer expenditure* is defined as the expenditure incurred by a household on domestic consumption during the reference period. It is the total of monetary values of consumption of various groups of items, namely

- (i) food, *pan* (betel leaves), tobacco, intoxicants and fuel & light
- (ii) clothing and footwear
- (iii) Miscellaneous goods and services and durable articles etc.

The CPI is set to measure the relative change over time in prices of a given set of items basket consisting of goods & services. In India, this exercise was started just after the First World War in rudimentary nature from 1943. The Government of India took this task upon itself in pursuance of the recommendations of the 'Tau Court' Enquiry Committee. Actually construction of CPI numbers was prepared by following a scientific manner after conducting Family Living Survey during 1958 – 1959. It was launched at 50 important industrial centers spread over entire country based on guidelines laid down by the technical advisory committee, constituted by the Government of India in 1954. The work of construction of Cost of Living Index numbers was taken up with the object of preparing a reliable index series of data based on uniform line for the entire country. The Consumer Price Index numbers for industrial workers for 50 centers & All India weighted index on base (1960=100) was started by using the weighting diagram derived from Family Living Survey 1958 for industrial workers.

Now the coverage of industrial workers take care of seven sectors viz a) factories b) mines c) plantation d) railways e) public motor transport undertaking, f) electricity generation and distribution establishment, g) ports & docks wherein a working class family is defined as one of the members, worked as a manual worker in any one of the above seven sectors which fetches one half or more of income through the manual work.

India is reckoned as a fast developing country in world economy. Indian economic system needs a reliable comprehensive time relevance database consisting of various sectors including the Service sector, which now has a strong hold in GDP.

Data for the Number of Establishments & Workers correlated to Un-organized / Informal sector is also more or less covered from Economic Census (EC) published and conducted by The Central Statistical Organization (EC Wing). The Economic Census provides detailed information on Operational & Activity wise economic variable including exposure of worker status associated with it. By definition Economic Census is the complete count of all establishments carrying out economic activity(s) within the geographical boundary of India. Latest EC was conducted in India during 2013 where economic activity is defined as any activity resulting in production of goods and services that add value to the national product. Economic Census data is collected by house hold approach where the household is defined as a person or group of persons usually living together & taking their meals from a common kitchen. On the contrary, Workers (employed person) are defined in EC as persons working on the last working day prior to date of field work in the Establishment - either as Owners, Members of the Household, Co Owners, Partners, Family members helping the owner in running the establishment including other (apart from household), persons & Children under 15 years old engaged by the establishment, whether hired or not, besides regular and salaried employees in the nature of Casual/Daily Wage Laborers. Such activities include production of all goods and services for the market (i.e. pay or profit) including those of Government Service, Own Account Production of Fixed assets and excluding the production of primary commodities only for own consumption, Crop production, Plantation. Public Administration, Defence & Compulsory Social Security were kept out of its purview.

To conduct the task associated with Economic Census Enumeration Blocks (EB) were used as primary geographical units for data collection and sum of all these units constituted the frame for economic census separately for rural and urban units with a view to ensuring complete coverage of all Establishments. The EC provides the data, classified according to NIC (National Classification of Activity) at 3 or 4 digit level and NCO (National Classification of Occupations) codes starting from grassroots level of administrative units viz. *Gram Panchayat* level and Block level for rural areas & Ward, Municipalities, Towns, Corporations for urban areas. This covers the data gap required for implementation of decentralized planning for compliance of the proviso under 73rd & 74th of the Indian Constitutional Amendment.

The Economic Census provides an in-depth data set pertaining to number of entities, activity/number wise distribution of work force for all kinds of Worker entities, following the said NIC/NCO code classification. It may also portray the extent of vulnerability prevailing in employment structure of Indian workforce.

The National Sample Survey (NSSO) is an important source for labor market data at the national and state level. The NSSO has worldwide reputation in the field of conducting sample survey on multifarious socio-economics topics. The quinquennial Employment-Unemployment Survey provides household consumer



expenditure and employment-unemployment particulars of the country, the latest being the 68<sup>th</sup> round survey held during survey period July 2011 to June 2012 and survey results published in 2014. Parallel to this a regular system exists for collecting information on certain key items on employment and unemployment as part of an annual series, from a smaller sample of households in each NSSO round. Availability of data at periodic intervals is greatly useful for planning, policy and decision making within the government and outside.

NSSO surveys give important labor market estimates like Worker Population Ratio, Labor Force Participation Rate, wages of employed, extent of unemployment across gender, industry, geographical region, rural and urban areas. NSSO data also indicates the structural aspects of the workforce such as status in employment, industrial distribution and occupational distribution, aspects of employment in the informal sector and informal employment.

The critical issues in the context of labor force enquiries pertain to defining the labor force and measuring participation of labor force in different economic activities. The activity participation of the people is not only dynamic but also multidimensional – it varies over regions, age, education, gender, industry and occupational categories. In NSS surveys, persons are classified into various activity categories on the basis of activities pursued by them during certain specified reference periods. Three reference periods are used viz. (i) one year, (ii) one week and (iii) each day of the reference week. The activity status determined on the basis of the reference period of one year is known as the usual activity status (us) of a person, that determined on the basis of a reference period of one week is known as the current weekly status (cws) of the person and the activity status determined on the basis of the engagement on each day during the reference week is known as the current daily status (cds) of the person.

Thus we get a range of information on the following aspects:

*i) household characteristics*, like household size, household type, religion, social group, land owned, land possessed, land cultivated, etc. for the rural households *ii) demographic particulars*, like age, sex, educational level. *iii) particulars of usual principal activity, subsidiary economic activity, current weekly.* *iv) particulars of the enterprise* for all the usual status workers (excluding those engaged in growing of non-perennial crops, growing of perennial crops, plant propagation and mixed farming *v) particulars regarding extent of underutilization of the labor time, nature of employment (permanent/temporary), existence of union/association.* *vi) particulars regarding participation in specified activities* by the household members who were classified as engaged in domestic duties in the usual principal activity status.

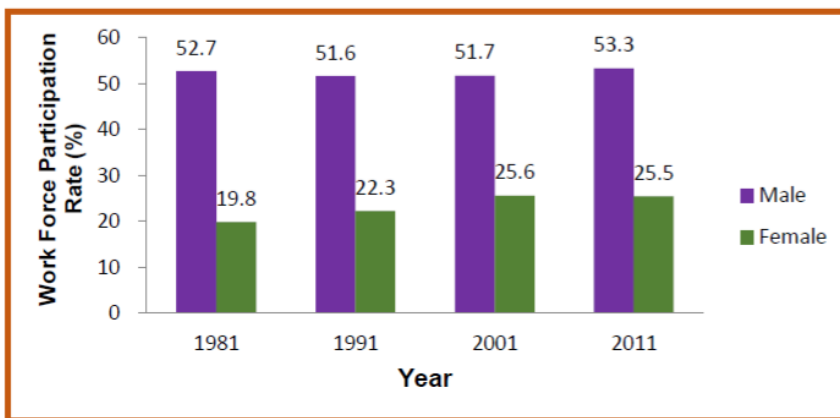
The key indicators pertaining to labor force are estimated for age group 15-59 years.

The NSS 68th round survey show the average household size in India as 4.3. The household size (4.5) of rural households was higher than that of urban households (4.0). The sex ratio (females per 1000 of males) at the All-India level is 946. The sex ratio in rural areas was 957 compared to 922 in urban areas. The population in the age group 15-59 years, which is considered to be active economically, comprised about 60 per cent of males and 61 per cent of females in rural areas & about 66 per cent for both males and females in urban areas.

The enlargement of the domain of poverty & inequalities may be envisaged when we look through the employment and unemployment surveys conducted by NSSO.

The Labour Bureau publishes all the major Labor Statistics like Worker Population Ratio, Labour Force Participation Rate, Unemployment Rate etc majorly the CPIIW which is the basis for formation of Wage Policy/Rate by the Government of India.

The Office of The Registrar General & Census Commissioner, India conducts and disseminates the data on decennial census of population in different Age-Group, Race, Religion, Work Force in the form of Main Worker, Marginal Worker by sex, rural /urban spread over different administrative levels. The following comparison of the Crude Work Participation Rate from 1981 to 2011 shows that a large section of the population fall within the labour force and adequate employment opportunities have to be made for them. Also it is seen that although female participation has increased in 2011 compared to 1981, it has increased only moderately compared to 2001 and is very low in comparison to Males.



**Figure 2. Crude Work Participation Rate (1981-2011)-All India**

Source 2: [www.censusindia.gov.in](http://www.censusindia.gov.in).

$$\text{Crude Work Participation Rate Female (Male)} = \frac{\text{Main Worker Female(Male)} + \text{Marginal Worker Female(Male)}}{\text{Total Population Female(Male)}} * 100$$

Marginal workers are those who did not work for at least 183 days in the preceding 12 months to census taking.

#### 4. Conclusion

Thus it is identified that (i) socio-economic factors affect the incidence of vulnerable employment and reinforces the adverse effects of vulnerability on the already affected labor force, (ii) some of these socioeconomic factors are measurable and a suitable measure may be devised for others, (iii) data environment for the measurable ones is explored (iv) areas of policy measures to be taken by Public and Private players in the economy are suggested (v) avenues for further discussion on the topic is sought to be opened in as much as a comprehensive measurement like a suitable index has to be formulated based on these and more identified factors.

Through this discussion we see that the domain of vulnerable employment needs to be widened and the Frame work of the Workers Earning Means should be formed such that it meets basic needs along with avenue for job enrichment, having multiple Correlation to talent, efficiency, accountability and sense of responsibility of employees. This will go a long way in creating a healthy working environment, alleviating frustration syndrome among the employed, mental hazards and fears of uncertainty due to job loss among the workers, inducing social benefit in interest of society to a great extent.

The Government’s need to assess the quantum of public services to be made available depends vitally on the identification and estimation of the target population or section of the society most in need for them.

The need for socio-economic reforms to eradicate vulnerable employment has to be recognized and addressed by the Government and all key players in the economy. A dedicated step to the issue would be to construct an appropriate index which would indicate the action to be taken by the planners & decision makers. A holistic approach would incorporate growth, employment/unemployment scenario, means of earnings, terms of employment, conditions of working environment & job security together with legal environment that is accessible and provides for enforcement of natural justice so on and so forth. For the Government, reducing vulnerable employment is a means to diminish social disparity and ensuring effective social responsibility. If not addressed at the point of incidence, the huge population in the vulnerable employment group, will, at slight disturbance in its position, fall back on the Government already strained for finances, seeking economic support in the form of doles and paid for social security measures. Thus although putting in place the desired socio-economic reforms is a challenge in the Indian perspective, it is no longer an option.

#### 5. Remedial Measures Suggested

- Identifying and narrowing the domain of vulnerable employment.
- To foster economic growth and development which is sufficiently labor intensive and covering all sectors –primary, secondary, tertiary with emphasis on utilizing all types and levels of skills.

- Government should have a clear vision of emerging market and align education and skill development to cater to it in a balanced manner.
- Enhancement of professional capability through avenues for Job Enrichment.
- The Gender GDP depicting the contribution of the female worker and the Worker Participation Rate (WPR) to be significantly increased.

## References

1. The National Sample Survey, Ministry of Statistics and Programme Implementation, GoI, 68<sup>th</sup> Round Employment Unemployment Survey.
2. The Labour Bureau, M/o Labour, GoI, 5<sup>th</sup> Annual Survey on Employment-Unemployment 2015-16.
3. International Labour Office (ILO), Geneva.
4. Office of The Registrar General & Census Commissioner , India, Ministry of Home Affairs, GoI.
5. The Central Statistical Organisation, Ministry of Statistics and Programme Implementation, GoI.
6. Jonas Voßemer, Michael Gebel, Kadri Täht, Marge Unt, Björn Högberg, Mattias Strandh (2017). The Effects of Unemployment and Insecure Jobs on Well-Being and Health: The Moderating Role of Labor Market Policies. *Social Indicators Research*, 138 (3), 1229-1257. <https://doi.org/10.1007/s11205-017-1697-y/>.
7. Pirani, E. (2017). On the Relationship Between Atypical Work(s) and Mental Health: New Insights from the Italian Case. *Social Indicators Research*, 130(1), 233–252. <https://doi.org/10.1007/s11205-015-1173-5>.
8. Kim Bosmans, Nele De Cuypers, Stefan Hardonk, Christophe Vanroelen (2015). Temporary agency workers as outsiders: an application of the established-outsider theory on the social relations between temporary agency and permanent workers. *Society, Health & Vulnerability*, 6 (1), <https://doi.org/10.3402/vgi.v6.27848>.
9. Takao Kato and Naomi Kodama (2018). Women in the Workplace and Management Practices: Theory and Evidence. *The Oxford Handbook of Women and the Economy*. <https://doi.org/10.1093/oxfordhb/9780190628963.013.33>.
10. Boyce, Anthony & Ryan, Ann & L. Imus, Anna & P. Morgeson, Frederick. (2007). "Temporary Worker, Permanent Loser?" A Model of the Stigmatization of Temporary Workers. *Journal of Management*, 33, 5-29. <https://doi.org/10.1177/0149206306296575>.