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**ASPECTS OF URBAN LABOUR FORCE IN
INDIA - I**

by

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Acknowledgement

This is a revised version of a presentation made at the Fourth EIWIG Workshop held in Ahmedabad, January 1987. At the Workshop, Prof. Pravin Visaria suggested that the results be validated against the stability of Work Participation Rates. I am thankful to him for his suggestion, as well as to Prof. C. T. Kurien for useful clarifications. I have preferred to use the term "wage-isation" mentioned by C. T. Kurien in a casual conversation with me. The appropriate theoretical expression would be "commoditisation of labour" but many tend to view that expression as Marxist jargon. As the paper is empirical, and does not deal with theoretical issues in political economy, I have preferred the term "wage-isation". The usual disclaimers apply.

Aspects of urban labour force in India - I

In this paper we concentrate on the phenomena of 'wage-isation' and casualization of the urban labour force and relate these to unemployment. Using the two rounds of the National Sample Survey data on employment and unemployment viz, 32nd round (1977-78) and the 38th round (1983) it explores the spatial and temporal variations in the employment status in the urban labour force for both males and females separately. An understanding of both the data base and the concepts is a prerequisite to the analysis as such, and the following two sections are devoted to these.

The Data Base The objective of the three quinquennial surveys on employment and unemployment carried out during the 27th, 32nd and 38th rounds was to measure the nature and extent of employment and unemployment in quantitative terms. To achieve this objective the attempt in all the three surveys was to classify the population of age 5 years and above as belonging to different activity categories adopting three different approaches namely-

- (i) Usual status approach with a reference period of 365 days preceeding the date of survey,
 - (ii) Current week status approach with a reference period of 7 days preceeding the date of survey and
 - (iii) Current day status approach reference period being each day of the 7 days preceeding the date of survey.
- Annexure I contains the various activity categories used in the 32nd and 38th rounds. Persons reported to be engaged in any one or more of the activities listed under the category codes 01-71 during the specified period were considered 'working', those assigned codes 81 and 82 were considered as 'seeking' and or 'available for work'.

The two together constituted the labour force. Those assigned codes 91-99 were classified as 'not in the labour force'.

As this paper uses only data relating to Current Day Status, we shall examine further the classification according to Current Day Status Approach. According to this classification, each person was assigned one single activity status or two at the most on each day of the reference week depending on whether s/he had been pursuing one or more than one activity on each of the seven days of the reference week. The unit of classification was, thus, half day. In assigning the activity status on a day a person was considered 'working' for the entire day if s/he had worked 4 hours or more on the day. But if s/he worked one hour or more but less than 4 hours s/he was considered 'working' for half day and 'seeking/available' for work, (unemployed) or 'not available for work' (not in the labour force) for the other half of the day depending on whether s/he was seeking/available for work or not, on the day. On the other hand, if a person was not engaged in any gainful work even for one hour on the day but was seeking or available for work for four hours or more s/he was considered 'unemployed' for the entire day. But if s/he was available for work for less than four only s/he was considered 'unemployed' for half day and 'not in the labour force' for the other half of the day. A person who was having neither any gainful work to do nor was available for work even for half of the day was considered 'not in the labour force' for the entire day and assigned the one or two of the non-gainful activity statuses which s/he had during the day. The aggregate of persons classified under the different activity categories for all the seven days of the week divided by seven would give the

distribution of persons (strictly person-days) by activity category on an average day over the survey period.

In our analysis the data for 32nd round refers to the average of 4 subrounds for the entire survey period July 1977 - June 1978 while the data for 38th round refers to the average of 2 subrounds only Jan-June 1983, the period for which the data is as yet available. While there is unlikely to be major changes affecting the results (in urban areas), the results may still be considered preliminary.

Concepts Wage-isation refers to the increasing incidence of wage labour in the total work force in urban areas. The incidence is the ratio of wage labour to total workers, where the wage labour is the total of regular and salaried employees under activity category code 31 and casual labour including those in public works, that is activity category codes 41 and 51. It is fairly obvious that the phenomenon of wage-isation is a corollary to the decreasing incidence of self employment. For purposes of our analysis, self employed includes the following 3 activity codes, viz, (11) worked (self employed) in household enterprises, (21) worked as helper in household enterprises and (61) did not work though there was work in household enterprises.

Casualization refers to the increasing incidence of casual labour in the wage labour force, that is the ratio of casual labour (activity codes 41 and 51) to the wage labour (codes 31, 41 & 51).

Unemployment rate refers to the ratio of unemployed in the labour force. $\frac{\text{Codes 81+82}}{\text{Codes 81+82} + (01-82)}$

The phenomena and their implications

The growth of wage employment is generally associated with development. In particular it is recognised that capitalist development would be associated with increase in wage employment and decrease in self employment. Debates on the development of capitalism in agriculture, of which growth of wage labour is an important indicator was a major debate in the development literature in the country. The extension of this debate to the non-agrarian urban sectors of the economy was caught in the dubious distinction between formal and informal sector and the debate related to the growth inducing potential or otherwise of the informal sector. While the validity of such a dichotomous classification has been questioned by the critiques of the informal sector school, the differentiation within the so-called informal sector itself has not merited attention. The twin process of wage-isation and casualization brings the differentiation within the informal sector into sharper focus. Much of the selfemployment in urban areas is in household manufacturing, retail trade and services largely in the informal sector and the relative decrease in selfemployment vis-a-vis wage employment is an indication of the differentiation process within the informal sector. Casual labour according to the NSS data refers to labour for which daily payments are made and/or labour for which work contracts are periodically renewed. Thus the incidence of casual labour is an indication of the extent of informal labour existent in both the formal and informal sectors.

The twin phenomena of wage-isation and casualization are likely to happen at two levels. One where the casualization process happens along with the wage-isation, from which the nature of new employment can be inferred, and

another when casualization takes place without the phenomenon of wage-isation, which has implication of the changing status of even old employment. In other words while the former suggests limits on the absorptive capacity in the Regular Wage Sector as self-employment decreases relatively, the latter postulates a situation of a real decrease in employment in the Regular Wage Sector itself. Both of these have their associated policy implications too. In what follows we shall examine the intensities and variations of these two phenomena in urban India.

Wage-isation in Urban India Table 1 presents the incidence of wage labour in the urban workforce in the different states at both the 32nd and 38th rounds by Current Day status. The data based on current day status only are considered as these are more sensitive to casual and unemployed status than rates based on long duration.

From Table 1 it is evident that a look at the All-India figures ^{alone} shows that wage-isation phenomenon is not present among males but is prevalent in the female workforce. However state level analysis as summarised in table 2 presents a different picture.

Table 1Incidence of wage labour in the urban workforce
- Current Day Status

	Males		Females	
	32	38	32	38
Andhra Pradesh	57.24	59.00	48.32	49.69
Assam	56.10	57.94	84.99	72.01
Bihar	56.21	52.73	55.24	57.92
Gujarat	61.95	66.09	57.69	64.05
Haryana	43.61	50.62	54.08	38.17
Himachal Pradesh	56.72	66.02	61.94	54.53
Jammu & Kashmir	53.38	48.44	70.91	58.08
Karnataka	60.08	65.66	60.79	69.02
Kerala	59.92	65.36	64.26	74.05
Madhya Pradesh	52.40	59.76	58.44	62.40
Maharashtra	66.75	67.46	66.93	66.70
Manipur	45.56	34.73	13.70	8.85
Meghalaya	74.03	63.04	78.68	43.41
Nagaland	70.06	63.53	55.56	60.05
Orissa	59.64	68.01	60.40	71.64
Punjab	46.97	54.21	57.68	72.96
Rajasthan	47.15	46.51	31.56	18.17
Tamil Nadu	61.50	64.12	45.88	60.88
Tripura	60.71	57.68	89.19	96.44
Uttar Pradesh	48.46	45.05	39.26	54.61
West Bengal	66.42	63.12	73.74	76.72
India	61.88	58.64	55.33	59.73

Table 2 indicates states where wage-isation phenomenon is evident between 1977-78 and 1983.

Males	Females
Andhra Pradesh	Andhra Pradesh
Assam	Bihar
Gujarat	Gujarat
Haryana	Karnataka
Himachal Pradesh	Kerala
Karnataka	Madhya Pradesh
Kerala	Nagaland
Madhya Pradesh	Orissa
Maharashtra	Punjab
Orissa	Tamil Nadu
Punjab	Tripura
Tamil Nadu	Uttar Pradesh
	West Bengal

Among males, the states where the wage-isation phenomenon is not evident are Bihar, UP, Rajasthan and West Bengal forming one single belt of the Gangetic plain and the North-Eastern states of Manipur, Meghalaya, Nagaland, and Tripura, apart from Jammu & Kashmir. Such clearcut demarcation is not possible among females. States where the wage-isation phenomenon was not evident are Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya. Maharashtra indicates a very marginal decline in the incidence of wage labour, and Rajasthan shows a striking decrease of 13.4 percentage points.

It is generally believed that this kind of result can be accepted as valid only if the Work Participation Rates (WPR) are to some extent stable. As a decline in WPR can arise on two counts - a real decline, and an illusory decline

when those who are indeed working as self employed are not captured in the workforce statistic, in which case the wage-isation phenomenon observed could as well be the result of a netting process that excludes large sections of self employed from the worker status. Table 3 presents the WPR for all states.

Table 3 - Work Participation Rates - Urban
Workforce - Current Daily Rates

	Males			Females		
	27	32	38	27	32	38
Andhra Pradesh	54.01	53.86	54.59	14.04	18.43	16.00
Assam	49.67	54.09	48.43	3.46	4.60	7.04
Bihar	53.48	53.02	53.50	8.81	8.87	11.05
Gujarat	52.94	54.01	53.26	10.52	11.58	10.21
Haryana	48.72	54.12	59.34	6.46	9.77	9.17
Himachal Pradesh	67.70	62.77	59.67	13.45	11.46	14.78
Jammu & Kashmir	53.59	53.96	58.91	5.68	7.75	6.68
Karnataka	53.43	52.34	52.51	12.51	14.33	15.17
Kerala	43.45	40.75	43.67	16.15	13.85	12.72
Madhya Pradesh	49.42	51.57	51.99	14.23	12.13	11.94
Maharashtra	55.68	54.43	54.70	14.25	13.82	12.13
Manipur	43.30	57.25	44.88	20.60	19.77	26.67
Meghalaya	55.07	55.20	51.64	14.07	21.70	21.61
Nagaland	60.70	58.14	60.46	14.68	13.49	11.29
Orissa	59.38	51.87	53.17	12.51	11.84	8.85
Punjab	55.28	59.80	59.47	11.25	9.20	10.80
Rajasthan	53.72	51.74	50.05	19.00	12.43	14.20
Tamil Nadu	56.64	54.59	53.62	17.13	20.92	16.59
Tripura	38.52	51.03	51.04	8.49	12.88	12.61
Uttar Pradesh	56.32	53.95	53.12	8.06	8.96	8.99
West Bengal	59.58	57.70	55.56	8.19	9.16	10.61
India	54.72	54.13	53.77	12.19	13.00	12.49

Two aspects of the stability of WPR need to be probed - First over time and secondly the variation across states. Considering first the stability over time it appears as a reasonable approximate analysis to consider the wage-isation phenomenon as real if the elasticity of the incidence of wage labour with respect to WPR is greater than one in absolute terms, that is if the percentage change in the incidence of wage labour over time is greater (absolutely) than the percentage change in the WPR over the same time period. Similarly the variations in WPR across states could be both a real one, and a statistical one arising, as mentioned earlier, out of an exclusive way of netting workers which might have varied across regions. We seek to minimise this fictitious variation by including those recorded in activity code 93 (engaged in domestic work and free collection of items). The WPR obtained through the addition of activity code 93 can be called the 'Extended Work Participation Rate'. We then apply the same analysis of the elasticity of the incidence of wage labour with respect to the EWPR to examine whether the wage-isation process is real or not. Thus our stability analysis will be in two parts. Table 4 presents the elasticity of the incidence of wage labour with respect to WPR between 32nd and 38th rounds, along with the corresponding percentage changes in the incidence of wage labour and the percentage changes in WPR.

Table - 4 Elasticity of the incidence of wage labour
in the workforce with respect to WPR - Current Day Rates

States	Males			Females		
	% change in WPR	% change in WL/TW	Elasticity of WL/TW with respect to WPR	% change in WPR	% change in WL/ TW	Elasticity of WL/ TW W.R.to WPR
	32-38	32-38		32-38	32-38	
Andhra Pradesh	+ 1.36	+ 3.07	+ 2.26	-13.19	+ 2.84	-0.22
Assam	-10.46	+ 3.28	- 0.31	+53.04	-15.27	-0.29
Bihar	+ 0.91	- 6.19	- 6.80	+24.80	+ 4.85	+0.20
Gujarat	- 1.39	+ 6.68	- 4.81	-11.83	+11.02	-0.93
Haryana	+ 9.66	+16.07	+ 1.66	- 6.14	-29.42	+4.79
Himachal Pradesh	- 4.94	+16.40	- 3.32	+28.97	-11.96	-0.41
Jammu & Kashmir	+ 9.17	- 9.25	- 1.01	-13.81	-18.09	+1.31
Karnataka	+ 0.32	+ 9.29	+29.03	+ 5.86	+13.54	+2.31
Kerala	+ 7.15	+ 9.08	+ 1.27	- 8.16	+15.23	-1.87
Madhya Pradesh	+ 0.81	+14.05	+17.35	- 1.57	+ 6.78	-4.32
Maharashtra	+ 0.50	+ 1.06	+ 2.12	-12.23	- 0.34	+0.03
Manipur	-21.61	-23.77	+ 1.10	+34.90	-35.40	-1.01
Meghalaya	- 6.45	-14.85	+ 2.30	- 0.41	-44.83	+109.3
Nagaland	+ 4.00	- 9.32	- 2.33	-16.31	+ 8.08	-0.50
Orissa	+ 2.51	+14.03	+ 5.59	-25.25	+18.61	-0.74
Punjab	- 0.55	+15.41	-28.02	+17.39	+26.49	+1.52
Rajasthan	- 3.27	- 1.36	+ 0.42	+14.24	-42.43	-2.98
Tamilnadu	- 1.78	+ 4.26	- 2.39	-20.70	+32.69	-1.58
Tripura	+ 0.02	- 4.99	-249.5	- 2.10	+ 8.13	-3.87
Uttar Pradesh	- 1.54	- 7.04	+ 4.57	+ 0.33	+39.10	+118.5
West Bengal	- 3.71	- 4.97	+ 1.34	+15.83	+ 4.04	+0.26
India	- 0.67	- 5.24	+ 7.82	- 3.92	+ 7.95	-2.03

From table 4 it is evident that in the case of males excepting the states of Assam and Rajasthan where the elasticity is less than one, in all the other states it is greater than one. Jammu & Kashmir is very nearly one such that nothing specific can be concluded. Earlier we had noted that in Assam wage-isation process was evident among males, while in Rajasthan there was decreasing incidence of wage labour in the 5 year period. It appears to us that in both these instances, these changes could as well have arisen out of a netting process and is therefore attributable to the instability of WPR. In Jammu & Kashmir also it appears that the decrease in incidence of wage labour as noted in table 1 cannot be categorically stated to be real.

In the case of females in 9 out of 21 states the elasticity is less than one. These are Andhra Pradesh, Assam, Bihar, Gujarat, Himachal Pradesh, Maharashtra, Nagaland, Orissa and West Bengal. Of these prima-facie evidence of wage-isation was present in Andhra Pradesh, Bihar, Gujarat, Nagaland, Orissa and West Bengal. That is in these states the wage-isation process could as well have arisen out of instability of WPR caused by exclusive netting process. Again the decrease in the incidence of wage-labour evidenced in Assam, Himachal Pradesh and Maharashtra need not be a real decrease.

Tables (5) and (6) present the Extended Work Participation Rates and the analysis of elasticity with respect to EWPR.

Table - 5
Extended Work Participation Rates - Urban Workforce -
Current Daily Rates

States	Males		Females	
	32	38	32	38
Andhra Pradesh	54.03	54.69	21.76	18.77
Assam	54.31	48.54	18.05	11.31
Bihar	53.37	53.98	26.20	21.71
Gujarat	54.07	53.76	17.02	17.11
Haryana	54.20	59.86	26.24	33.62
Himachal Pradesh	63.08	59.72	29.88	39.65
Jammu & Kashmir	53.96	58.38	15.43	24.70
Karnataka	52.61	52.63	18.20	18.77
Kerala	40.89	43.77	19.82	18.04
Madhya Pradesh	51.76	52.15	18.95	16.52
Maharashtra	54.51	54.75	16.90	15.72
Manipur	58.95	44.88	37.18	32.85
Meghalaya	55.33	51.97	27.90	21.61
Nagaland	58.14	60.46	16.65	12.32
Orissa	52.20	53.49	15.46	15.87
Punjab	59.82	60.16	30.33	40.77
Rajasthan	51.81	50.61	25.68	23.65
Tamil Nadu	54.67	53.65	24.81	22.06
Tripura	51.15	51.04	14.22	12.61
Uttar Pradesh	54.04	53.27	22.62	25.55
West Bengal	57.82	55.58	19.56	17.29
India	53.61	53.96	21.14	20.78

Table-6 Elasticity of the incidence of wage labour in the workforce with respect to EWPR - Current Day Rates

States	Males			Females		
	%change in EWPR	%change in WL/ TW	Elasticity of WL/TW to EWPR	%change in EWPR	%change in WL/ TW	Elasti- city of WL/TW to EWPR
	32-38	32-38		32-38	32-38	
Andhra Pradesh	+ 1.22	+ 3.07	+ 2.52	-13.74	+ 2.84	- 0.21
Assam	-10.62	+ 3.28	- 0.31	-37.34	-15.27	+ 0.41
Bihar	+ 1.14	- 6.19	- 5.43	-17.14	+ 4.85	- 0.28
Gujarat	- 0.57	+ 6.68	-11.72	+ 0.53	+11.02	+20.79
Haryana	+10.44	+16.07	+ 1.54	+28.13	-29.42	- 1.05
Himachal Pradesh	- 5.33	+16.40	- 3.08	+32.70	-11.96	- 0.37
Jammu & Kashmir	+ 8.19	- 9.25	- 1.13	+60.08	-18.09	- 0.30
Karnataka	+ 0.04	+ 9.29	+232.25	+ 3.13	+13.54	+ 4.33
Kerala	+ 7.04	+ 9.08	+ 1.23	- 8.98	+15.23	- 1.70
Madhya Pradesh	+ 0.75	+14.05	+18.73	-12.82	+ 6.78	- 0.53
Maharashtra	+ 0.44	+ 1.06	+ 2.41	- 6.98	- 0.34	+ 0.05
Manipur	-23.87	-23.77	+ 0.99	-11.65	-35.40	+ 3.04
Meghalaya	- 6.07	-14.85	+ 2.45	-22.54	-44.83	+ 1.99
Nagaland	+ 3.99	- 9.32	- 2.34	-26.01	+ 8.08	- 0.31
Orissa	+ 2.47	+14.03	+ 5.68	+ 2.65	+18.61	+ 7.02
Punjab	+ 0.57	+15.41	+27.04	+34.42	+26.49	+ 0.77
Rajasthan	- 2.32	- 1.36	+ 0.59	- 7.90	-42.43	+ 5.37
Tamilnadu	- 1.87	+ 4.26	- 2.28	-11.08	+32.69	- 2.95
Tripura	- 0.22	- 4.99	+22.68	-11.32	+ 8.13	- 0.72
Uttar Pradesh	- 1.42	- 7.04	+ 4.96	+12.95	+39.10	+ 3.02
West Bengal	- 3.87	- 4.97	+ 1.28	-11.61	+ 4.04	- 0.35
India	+ 0.65	- 5.24	- 8.06	- 1.70	+ 7.95	- 4.68

Tables 7a and 7b present the summarised results of wage-isation phenomenon before and after accounting for instability of WPR over time, and both over time and across states. Table 7a is with respect to Males and Table 7b with respect to females.

Table 7a: Wage-isation Process before and after accounting for instability in WPR - Males

States with Prima-facie evidence of wage-isation between 32-38 rounds	States showing wage-isation after comparing with elasticity of WL/TW with respect to WPR	States showing wage-isation after comparing with elasticity of WL/TW with respect to EWPR
Andhra Pradesh	Andhra Pradesh	Andhra Pradesh
Assam	Gujarat	Gujarat
Gujarat	Haryana	Haryana
Haryana	Himachal Pradesh	Himachal Pradesh
Himachal Pradesh	Karnataka	Karnataka
Karnataka	Kerala	Kerala
Kerala	Madhya Pradesh	Madhya Pradesh
Madhya Pradesh	Maharashtra	Maharashtra
Maharashtra	Orissa	Orissa
Orissa	Punjab	Punjab
Punjab	Tamilnadu	Tamilnadu
Tamilnadu		
(1)	(2)	(3)
States showing prima-facie decrease in wage-labour incidence between 32&38 rounds	States continuing to show decrease in incidence of wage labour after comparing with elasticity W.r to WPR	States continuing to show decrease after comparing with elasticity W.r to EWPR
Bihar	Bihar	Bihar
Jammu & Kashmir	Jammu & Kashmir	Jammu & Kashmir
Manipur	Manipur	Meghalaya
Meghalaya	Meghalaya	Nagaland
Nagaland	Nagaland	Tripura

Table 7a: (contd...)

(1)	(2)	(3)
Rajasthan	Tripura	Uttar Pradesh
Tripura	Uttar Pradesh	West Bengal
Uttar Pradesh	West Bengal	
West Bengal		

Table 7b- Wage-isation process before and after accounting
for instability of WPR - Females

States showing prima- facie evidence of wage-isation between 32-38 rounds	States showing wage- isation after compa- ring with elasticity of WL/TW with respect to WPR	States showing wage- isation after compa- ring with elasticity of WL/TW with respect to EWPR
Andhra Pradesh	Karnataka	Gujarat
Bihar	Kerala	Karnataka
Gujarat	Madhya Pradesh	Kerala
Karnataka	Punjab	Orissa
Kerala	Tamilnadu	Tamilnadu
Madhya Pradesh	Tripura	Uttar Pradesh
Nagaland	Uttar Pradesh	
Orissa		
Punjab		
Tamilnadu		
Tripura		
Uttar Pradesh		
West Bengal		

States showing prima-facie decrease in wage labour incidence between 32 and 38 rounds	States continuing to show decrease in incidence of wage labour after comparing elasticity with respect to WPR	States continuing to show decrease in incidence of wage labour after comparing elasticity W.R to EWPR
Assam	Haryana	Haryana
Haryana	Jammu & Kashmir	Manipur
Himachal Pradesh	Manipur	Meghalaya
Jammu & Kashmir	Meghalaya	Rajasthan
Maharashtra	Rajasthan	
Manipur		
Meghalaya		
Rajasthan		

Wage-isation and the Non-Agrarian Work force

The definition of an urban area adopted in the three surveys is the same as the 1971 census. Accordingly an urban area was as follows- (1) All places with a Municipality, Corporation or Cantonment or Notified Town Area. (2) All other places which satisfied the following criteria (a) a minimum population of 5000 (b) atleast 75 percent of the male working population as non-agriculturists and (c) a density of population of atleast 1000 per sq.mile (390 per sq.km). Urban areas which do not possess all the above characteristics uniformly were sometimes treated as urban on the basis of their possessing distinct urban characteristics, overall importance and contribution to the urban economy of the area. It is therefore not surprising that agricultural workers also form part of the urban workforce. Table 8 gives the incidence of agricultural workers in the urban work force for males and females separately. As we are interested in examining the phenomena of wage-isation and casualization for the non-agrarian workforce, tables 9-13 provide the data on the incidence

Table - 8 Incidence of Agricultural Workers in the
Urban Work Force - Current Day Status

States	Males		Females	
	32	38	32	38
Andhra Pradesh	12.77	8.86	24.03	19.44
Assam	5.83	11.13	12.66	00.00
Bihar	10.80	9.79	18.41	19.45
Gujarat	8.44	6.87	23.06	19.20
Haryana	13.47	13.77	33.81	40.57
Himachal Pradesh	4.65	7.41	27.62	36.87
Jammu & Kashmir	10.42	2.39	24.55	11.08
Karnataka	13.77	12.42	23.36	24.40
Kerala	14.54	17.54	20.93	13.37
Madhya Pradesh	10.75	10.04	22.75	23.03
Maharashtra	7.76	4.85	22.73	12.61
Manipur	22.87	45.48	17.77	70.12
Meghalaya	1.48	2.72	0.00	4.40
Nagaland	11.98	2.85	37.04	15.59
Orissa	14.32	7.89	10.83	15.26
Punjab	11.34	10.17	24.42	6.29
Rajasthan	10.18	12.73	41.93	38.59
Tamilnadu	10.49	8.63	21.19	19.58
Tripura	10.95	7.05	00.00	00.00
Uttar Pradesh	9.67	9.53	2.63	17.25
West Bengal	4.84	2.15	1.25	2.17
India	9.24	8.23	8.11	18.02

Table - 9 Incidence of wage labour in the Non-Agrarian
Urban Workforce - Current Day Status

	Males		Females	
	32	38	32	38
Andhra Pradesh	51.95	55.48	35.42	39.25
Assam	54.77	56.49	76.33	72.01
Bihar	52.65	49.46	45.88	42.72
Gujarat	59.36	63.48	48.23	55.92
Haryana	41.14	48.26	45.53	35.66
Himachal Pradesh	56.33	65.48	61.19	54.53
Jammu & Kashmir	51.81	46.62	70.91	55.23
Karnataka	54.71	60.65	47.77	56.62
Kerala	53.76	56.34	57.16	69.25
Madhya Pradesh	48.76	57.45	49.54	53.69
Maharashtra	63.66	65.54	53.61	60.19
Manipur	44.47	34.73	13.70	7.76
Meghalaya	73.78	62.64	78.68	43.41
Nagaland	70.06	63.00	55.56	60.05
Orissa	53.59	65.05	49.57	62.26
Punjab	44.60	52.26	52.59	71.48
Rajasthan	46.50	45.41	29.08	16.62
Tamilnadu	56.31	61.27	33.80	52.75
Tripura	56.19	57.68	89.19	96.44
Uttar Pradesh	46.37	42.77	36.52	46.26
West Bengal	64.49	63.38	72.36	76.06
India	58.72	56.18	46.19	52.52

Table - 10 Non-Agrarian Work Participation Rates -
Urban Non-Agrarian Workforce - Current Daily Rates

States	Males		Females	
	32	38	32	38
Andhra Pradesh	46.96	49.75	12.98	12.89
Assam	51.08	43.04	4.26	7.04
Bihar	47.39	48.26	6.39	8.90
Gujarat	49.57	49.60	8.13	8.25
Haryana	47.10	51.17	5.97	5.45
Himachal Pradesh	59.97	55.25	9.45	9.33
Jammu & Kashmir	48.30	56.82	4.04	5.94
Karnataka	45.26	45.99	11.41	11.47
Kerala	34.73	36.01	10.75	11.02
Madhya Pradesh	46.01	46.77	9.49	9.19
Maharashtra	50.31	52.05	10.49	10.60
Manipur	45.34	24.47	16.50	7.97
Meghalaya	50.86	50.24	19.62	20.66
Nagaland	51.02	58.74	8.95	9.53
Orissa	44.30	48.97	10.13	7.50
Punjab	53.02	53.42	6.73	10.12
Rajasthan	46.59	43.68	6.34	8.72
Tamilnadu	48.65	48.99	15.69	13.34
Tripura	45.59	47.44	13.50	12.61
Uttar Pradesh	48.83	48.06	7.01	7.44
West Bengal	54.95	54.37	8.59	10.38
India	49.13	49.34	9.86	10.24

Table - 11 Elasticity of the incidence of wage labour in the non-agrarian workforce with respect to non-agrarian

WPR (Current Day Rates)

	Males			Females		
	% Change in WPR	% Change in WL/TW	Elasticity of WL/TW W.R. to WPR	% Change in WPR	% Change in WL/TW	Elasticity of WL/ TW WPR
	32-38	32-38		32-38	32-38	to WPR
Andhra Pradesh	+ 5.94	+ 6.79	+ 1.14	- 0.69	+10.81	-15.67
Assam	-15.74	+ 3.14	- 0.20	+62.26	- 5.66	- 0.09
Bihar	+ 1.84	- 6.06	- 3.29	+39.28	- 6.89	- 0.18
Gujarat	+ 0.06	+ 6.94	+115.67	+ 1.48	+15.94	+10.77
Haryana	+ 8.64	+17.31	+ 2.003	- 8.71	-21.68	+ 2.49
Himachal Pradesh	- 7.87	+16.24	- 2.06	- 1.27	-10.88	+ 8.57
Jammu & Kashmir	+17.64	-10.02	- 0.57	+47.03	-22.11	- 0.47
Karnataka	+ 1.61	+10.86	+ 6.75	+ 0.53	+18.53	+34.96
Kerala	+ 3.69	+ 4.80	+ 1.30	+ 2.51	+21.15	+ 8.43
Madhya Pradesh	+ 1.65	+17.82	+ 10.80	- 3.16	+ 8.38	- 2.65
Maharashtra	+ 3.46	+ 2.95	+ 0.85	+ 1.05	+12.27	+11.69
Manipur	-46.03	-21.90	+ 20.48	-51.70	-43.36	+ 0.84
Meghalaya	- 1.23	-15.10	+ 12.28	+ 5.30	-44.83	- 8.46
Nagaland	+15.13	-10.08	- 0.67	+ 6.48	+ 8.08	+ 1.25
Orissa	+10.54	+21.38	+ 2.03	-25.96	+25.60	- 0.99
Punjab	+ 0.75	+17.17	+ 22.89	+50.37	+35.92	+ 0.71
Rajasthan	- 6.25	- 2.34	+ 20.37	+37.54	-42.85	- 1.14
Tamilnadu	+ 0.70	+ 8.81	+ 12.59	-14.98	+56.07	- 3.74
Tripura	+ 4.06	+ 2.65	+ 0.65	- 6.59	+ 8.13	- 1.23
Uttar Pradesh	- 1.58	- 7.76	+ 4.91	+ 6.13	+26.67	+ 4.35
West Bengal	- 1.06	- 1.72	+ 1.62	+20.84	+ 5.11	+ 0.25
India	+ 0.43	- 4.33	- 10.07	+ 3.85	+13.70	+ 3.56

Table - 12 Non-Agrarian Extended Work participation rates - Urban Non-Agrarian Workforce- Current Daily Rates

States	Males		Females	
	32	38	32	38
Andhra Pradesh	47.13	49.85	16.31	15.66
Assam	51.30	43.15	17.71	11.31
Bihar	47.74	48.74	23.72	19.56
Gujarat	49.63	50.10	13.57	15.15
Haryana	47.18	51.69	22.44	29.90
Himachal Pradesh	60.28	55.30	27.87	34.20
Jammu & Kashmir	48.30	56.99	11.72	23.96
Karnataka	45.53	46.11	15.28	15.07
Kerala	34.87	36.11	16.72	16.34
Madhya Pradesh	46.20	46.93	16.31	13.77
Maharashtra	50.39	52.10	13.57	14.19
Manipur	47.04	24.47	33.91	14.15
Meghalaya	50.99	50.57	25.82	20.66
Nagaland	51.02	58.74	12.11	10.56
Orissa	44.63	49.29	13.75	14.52
Punjab	53.04	54.11	27.86	40.09
Rajasthan	46.66	44.24	19.59	18.17
Tamilnadu	48.73	49.02	19.58	18.81
Tripura	45.71	47.44	14.84	12.61
Uttar Pradesh	48.92	48.21	20.67	24.00
West Bengal	55.07	54.39	18.99	17.06
India	49.26	49.53	18.00	18.53

Table - 13 Elasticity of the incidence of wage labour
in the non-agrarian workforce with respect to EWPR -
Current Daily Rates

States	Males			Females		
	% change	% change	Elasticity	% change	% change	Elasti-
	in EWPR	in WL/TW	of WL/TW	in EWPR	in WL/TW	city of
	32-38	32-38	to EWPR	32-38	32-38	WL/TW
						to EWPR
Andhra Pradesh	+ 5.77	+ 6.79	+ 1.18	- 3.99	+10.81	- 2.71
Assam	- 8.15	+ 3.14	- 0.39	- 36.14	- 5.66	+ 0.16
Bihar	+ 1.00	- 6.06	- 6.06	- 17.54	- 6.89	+ 0.39
Gujarat	+ 0.47	+ 6.94	+14.77	+ 11.64	+15.94	+13.69
Haryana	+ 4.51	+17.31	+ 3.84	+ 33.24	-21.68	- 0.65
Himachal Pradesh	- 4.98	+16.24	- 3.26	+ 22.71	-10.88	- 0.48
Jammu & Kashmir	+ 8.69	-10.02	- 1.15	+104.44	-22.11	- 0.21
Karnataka	+ 0.58	+10.86	+18.72	- 1.37	+18.53	-13.53
Kerala	+ 1.24	+ 4.80	+ 3.87	+ 2.27	+21.15	+ 9.32
Madhya Pradesh	+ 0.73	+17.82	+24.41	- 15.57	+ 8.38	- 0.54
Maharashtra	+ 1.71	+ 2.95	+ 1.73	+ 4.57	+12.27	+ 2.68
Manipur	-22.57	-21.90	+ 0.97	- 58.27	-43.36	+ 0.74
Meghalaya	- 0.42	-15.10	+35.95	- 19.98	-44.83	+ 2.24
Nagaland	+ 7.72	-10.08	- 1.31	- 12.80	+ 8.08	- 0.63
Orissa	+ 4.66	+21.38	+ 4.59	+ 5.60	+25.60	+ 4.57
Punjab	+ 1.07	+17.17	+16.05	+ 43.90	+35.92	+ 0.82
Rajasthan	- 2.42	- 2.34	+ 0.97	- 7.25	-42.85	+ 5.91
Tamilnadu	+ 0.29	+ 8.81	+30.38	- 3.93	+56.07	-14.27
Tripura	+ 1.73	+ 2.65	+ 1.53	- 15.03	+ 8.13	- 0.54
Uttar Pradesh	- 0.71	- 7.76	+10.93	+ 16.11	+26.67	+ 1.66
West Bengal	- 0.68	- 1.72	+ 2.53	- 10.16	+ 5.11	- 0.50
India	+ 0.55	- 4.33	- 7.87	+ 2.94	+13.70	+ 4.66

Table 14-A Wage-isation of Non-Agrarian Urban Workforce
before and after accounting for instability of WPR- Males
- Current Day Rates

States with prima- facie evidence of wage-isation bet- ween 32&38 rounds	States showing wage- isation after compa- ring with elasticity of WL/TW with respect to WPR	States showing wage-isation after comparing with elas- ticity of WL/TW with respect to EWPR
Andhra Pradesh	Andhra Pradesh	Andhra Pradesh
Assam	Gujarat	Gujarat
Gujarat	Haryana	Haryana
Haryana	Himachal Pradesh	Himachal Pradesh
Himachal Pradesh	Karnataka	Karnataka
Karnataka	Kerala	Kerala
Kerala	Madhya Pradesh	Madhya Pradesh
Madhya Pradesh	Orissa	Maharashtra
Maharashtra	Punjab	Orissa
Orissa	Tamilnadu	Punjab
Punjab		Tamilnadu
Tamilnadu		Tripura
Tripura		
States showing prima- facie decrease in wage labour incidence between 32-38 rounds	States continuing to show decrease in in- cidence of wage la- bour after comparing with elasticity with respect to WPR	States continuing to show decrease after comparing with elasti- city with respect to EWPR
Bihar	Bihar	Bihar
Jammu & Kashmir	Meghalaya	Jammu & Kashmir
Manipur	Uttar Pradesh	Meghalaya
Meghalaya	West Bengal	Nagaland
Nagaland		Uttar Pradesh
Rajasthan		West Bengal
Uttar Pradesh		
West Bengal		

Table 14-B Wage-isation of Non-Agrarian Urban Workforce
before and after accounting for instability of WPR - Females

- Current Day Status

States with prima-facie evidence of wage-isation between 32-38 rounds	States showing wage-isation after comparing with elasticity of WL/TW with respect to WPR	States showing wage-isation after comparing with elasticity of WL/TW with respect to EWPR
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Andhra Pradesh	Andhra Pradesh	Andhra Pradesh
Gujarat	Gujarat	Gujarat
Karnataka	Karnataka	Karnataka
Kerala	Kerala	Kerala
Madhya Pradesh	Madhya Pradesh	Maharashtra
Maharashtra	Maharashtra	Orissa
Nagaland	Nagaland	Tamilnadu
Orissa	Tamilnadu	Uttar Pradesh
Punjab	Tripura	
Tamilnadu	Uttar Pradesh	
Tripura		
Uttar Pradesh		
West Bengal		

States showing prima-facie decrease in wage labour incidence between 32-38 rounds	States continuing to show decrease in incidence of wage labour after comparing with elasticity with respect to WPR	States continuing to show decrease after comparing with elasticity with respect to EWPR
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Assam	Haryana	Meghalaya
Bihar	Himachal Pradesh	Rajasthan
Haryana	Meghalaya	
Himachal Pradesh	Rajasthan	
Jammu & Kashmir		
Manipur		
Meghalaya		
Rajasthan		

of wage labour in the non-agrarian urban workforce, as well as the necessary data relating to the two levels of stability analysis as already explained in the earlier section. A comparison of table 7A and 14A shows a considerable degree of stability among males in the case of states where wage-isation is evident or not, implying that between urban workers as a whole and the non-agrarian urban workforce, the phenomenon of wage-isation has not been overly influenced by the presence or absence of agricultural workers. Such a degree of stability is not evident when tables 7B and 14B are compared relating to females. It appears that a greater number of states indicate the wage-isation when only the non-agrarian urban female workforce are considered. The presence of particular state in all the three columns of Tables 7 and 14 (both A and B) is an indication of stability regarding the wage-isation or non-wage-isation phenomenon.

The phenomenon of casualization of the wage labour force

Table 15 presents the statewise incidence of casual labour as a proportion of wage labour (in percentages) at the two rounds. The phenomenon of casualization could occur along with wage-isation or need not be accompanied by wage-isation.

Table-15 Casual labour as a proportion of wage labour

States	Males		Females	
	32	38	32	38
Andhra Pradesh	20.39	20.61	57.74	53.09
Assam	9.71	18.14	13.72	10.26
Bihar	21.86	27.93	47.77	49.07
Gujarat	16.11	21.91	48.21	46.03
Haryana	13.41	19.20	26.28	14.85
Himachal Pradesh	9.34	10.69	3.62	12.16
Jammu & Kashmir	10.10	12.30	10.25	7.21
Karnataka	27.75	23.87	55.50	48.90
Kerala	38.23	41.06	38.64	32.80
Madhya Pradesh	8.38	21.37	44.82	50.34
Maharashtra	11.81	13.74	32.94	40.42
Manipur	3.18	1.47	11.09	9.72
Meghalaya	13.58	14.20	17.76	20.36
Nagaland	5.98	5.01	-	-
Orissa	17.07	17.26	57.55	51.90
Punjab	12.05	15.94	22.16	12.69
Rajasthan	12.49	20.10	22.16	46.12
Tamilnadu	20.75	24.41	42.11	50.39
Tripura	13.33	5.31	12.12	2.80
Uttar Pradesh	18.26	18.56	35.84	28.51
West Bengal	13.57	15.91	22.32	26.90
India	18.86	19.92	38.08	40.75

Table 16 below gives a picture of the states showing casualization of the wage labour, and the rates of casualization and wage-isation. The last column refers to absorption in the Regular Wage Sector and is determined by the increase or decrease in the incidence of Regular Wage Workers to total workers.

Table 16-A States where casualization is evident -
Males

States (1)	Rate of casua- lization (2)	Rate of wage- isat ion (3)	Regular Wage Sector (4)
Andhra Pradesh	1.08	+ 3.07	absorption in regular wage sector positive
Assam	86.82	+ 3.28	negative absorption in RWS
Bihar	27.77	- 6.19	negative absorption in RWS
Gujarat	36.00	+ 6.68	negative absorption in RWS
Haryana	43.18	+16.07	positive absorption in RWS
Himachal Pradesh	14.45	+16.40	positive absorption in RWS
Jammu & Kashmir	21.78	- 9.25	negative absorption in RWS
Kerala	7.40	+ 9.08	positive absorption in RWS
Madhya Pradesh	155.0	+14.05	negative absorption in RWS
Maharashtra	16.34	+ 1.06	negative absorption in RWS
Meghalaya	4.57	-14.85	negative absorption in RWS
Orissa	1.11	+14.03	positive absorption in RWS
Punjab	32.28	+15.41	positive absorption in RWS
Rajasthan	60.93	- 1.36	negative absorption in RWS
Tamilnadu	17.64	+ 4.26	negative absorption in RWS
Uttar Pradesh	1.64	- 7.04	negative absorption in RWS
West Bengal	17.24	- 4.97	negative absorption in RWS

Table 16-BStates where casualization is not evidentMales

States	Rate of casua- lization	Rate of wage- isation	Regular Wage Sector
Karnataka	-13.98	9.29	positive absorption in RWS
Manipur	-53.77	-23.77	negative absorption in RWS
Nagaland	-16.22	- 9.32	negative absorption in RWS
Tripura	-60.17	- 4.99	positive absorption in RWS

While it is obvious that the phenomenon of casualization would imply a relative decline in regular wage employment in the wage labour force, it needs to be recognised that this relative decline may be associated with both a positive and negative absorption in the Regular Wage Sector. That is wage-isation and casualization can coexist with a positive absorption in the Regular Wage Sector. Given the structure of the economy there might exist a positive

relationship between employment in Regular Wage Sector and the Casual Wage Sector. That is for every employment in the Regular Wage Sector, there might be some employment created in the Casual Wage Sector, though the phenomenon of casualization implies that for a unit employment in the Regular Wage Sector the employment in Casual Wage Sector increases over time. The above configuration implies the following

$$\frac{WL}{TW} \uparrow - \frac{CL}{WL} \uparrow - \frac{CL}{RW} \uparrow - \frac{RW}{TW} \uparrow$$

It is also possible that the phenomena of wage-isation and casualization is accompanied by negative absorption in the regular wage sector.

That is

$$\frac{WL}{TW} \uparrow - \frac{CL}{WL} \uparrow - \frac{CL}{RW} \uparrow - \frac{RW}{TW} \downarrow$$

As can be noted from table 16A the phenomenon of casualization need not be accompanied by wage-isation. In these instances the negative absorption in the regular wage sector is obvious.

$$\frac{WL}{TW} \downarrow - \frac{CL}{WL} \uparrow - \frac{CL}{RW} \uparrow - \frac{RW}{TW} \downarrow$$

Thus for males the following picture emerges in states where casualization is evident.

$$I \quad \frac{WL}{TW} \uparrow - \frac{CL}{WL} \uparrow - \frac{CL}{RW} \uparrow - \frac{RW}{TW} \uparrow$$

Andhra Pradesh, Haryana, Himachal Pradesh, Kerala, Orissa, Punjab.

$$II \quad \frac{WL}{TW} \uparrow - \frac{CL}{WL} \uparrow - \frac{CL}{RW} \uparrow - \frac{RW}{TW} \downarrow$$

Assam, Gujarat, Madhya Pradesh, Maharashtra, Tamilnadu.

$$\text{III } \frac{WL}{TW} \downarrow - \frac{CL}{WL} \uparrow - \frac{CL}{RW} \uparrow - \frac{RW}{TW} \downarrow$$

Bihar, Jammu & Kashmir, Meghalaya, Rajasthan,
Uttar Pradesh and West Bengal.

$$\text{IV } \frac{WL}{TW} \uparrow - \frac{CL}{WL} \downarrow - \frac{CL}{RW} \downarrow - \frac{RW}{TW} \uparrow$$

Karnataka

$$\text{V } \frac{WL}{TW} \downarrow - \frac{CL}{WL} \downarrow - \frac{CL}{RW} \downarrow - \frac{RW}{TW} \downarrow$$

Manipur and Nagaland

$$\text{VI } \frac{WL}{TW} \downarrow - \frac{CL}{WL} \downarrow - \frac{CL}{RW} \downarrow - \frac{RW}{TW} \uparrow$$

Tripura

Table 17-A

States where casualization is evident - Females

States	Rate of casua- lization	Rate of wage- isation	Regular Wage Sector
Bihar	2.72	+ 4.85	positive absorption in RWS
Himachal Pradesh	235.9	-11.96	negative absorption in RWS
Madhya Pradesh	12.32	+ 6.78	negative absorption
Maharashtra	22.71	- 0.34	negative absorption
Meghalaya	14.64	-44.83	negative absorption
Rajasthan	100.17	-42.43	negative absorption
Tamilnadu	19.66	+32.69	positive absorption
West Bengal	20.52	+ 4.04	negative absorption

Table 17-BStates where casualization is not evident - Females

States	Rate of casualization	Rate of wage-isation	Regular Wage Sector
Andhra Pradesh	- 8.05	+ 2.84	positive absorption
Assam	-25.22	-15.24	negative absorption
Gujarat	- 4.52	+11.02	positive absorption
Haryana	-43.49	-29.42	negative absorption
Jammu & Kashmir	-29.66	-18.09	negative absorption
Karnataka	-11.89	+13.54	positive absorption
Kerala	-15.11	+15.23	positive absorption
Manipur	-12.35	-35.40	negative absorption
Orissa	- 9.82	+18.61	positive absorption
Punjab	-42.73	+26.49	positive absorption
Tripura	-76.90	+ 8.13	positive absorption
Uttar Pradesh	-20.45	+39.10	positive absorption

Table -18General Urban Workforce - Categorisation of states according to the six types

Type I - $\frac{WL}{TW} \uparrow$ — $\frac{CL}{WL} \uparrow$ — $\frac{CL}{RW} \uparrow$ — $\frac{RW}{TW} \uparrow$

Males - AP, Haryana, HP, Kerala, Orissa, Punjab.

Females - Bihar, Tamil Nadu.

Type II - $\frac{WL}{TW} \uparrow$ — $\frac{CL}{WL} \uparrow$ — $\frac{CL}{RW} \uparrow$ — $\frac{RW}{TW} \downarrow$

Males - Assam, Gujarat, Madhya Pradesh, Maharashtra, Tamilnadu.

Females - Madhya Pradesh, West Bengal

Type III - $\frac{WL}{TW} \downarrow$ — $\frac{CL}{WL} \uparrow$ — $\frac{CL}{RW} \uparrow$ — $\frac{RW}{TW} \downarrow$

Males - Bihar, Jammu & Kashmir, Meghalaya, Rajasthan, Uttar Pradesh, West Bengal

Females - Himachal Pradesh, Maharashtra, Meghalaya, Rajasthan.

Type IV - $\frac{WL}{TW} \uparrow$ — $\frac{CL}{WL} \downarrow$ — $\frac{CL}{RW} \downarrow$ — $\frac{RW}{TW} \uparrow$

Males - Karnataka

Females - Andhra Pradesh, Gujarat, Karnataka, Kerala, Orissa, Punjab, Tripura & Uttar Pradesh

Type V - $\frac{WL}{TW} \downarrow$ — $\frac{CL}{TW} \downarrow$ — $\frac{CL}{RW} \downarrow$ — $\frac{RW}{TW} \downarrow$

Males - Manipur, Nagaland

Females - Assam, Haryana, Jammu & Kashmir, Manipur

Type VI - $\frac{WL}{TW} \downarrow$ — $\frac{CL}{WL} \downarrow$ — $\frac{CL}{RW} \downarrow$ — $\frac{RW}{TW} \uparrow$

Males - Tripura

Females - nil.

Tables 16 and 17 (both A and B) when summarized yields table 18, which presents an overview of the categorisation of the states according to nature of urban phenomena present during the five year period. As in the case of wage-isation, here too the analysis has been conducted separately for the non-agrarian urban workforce. Tables 19, 20 and 21 (both A and B) and table 22 present the necessary data on the non-agrarian urban work force.

Table-19Casual Labour as a Proportion of Wage Labour - Non-Agrarian
Urban Workforce

States	Males		Females	
	32	38	32	38
Andhra Pradesh	15.53	17.79	42.97	42.04
Assam	9.13	18.61	12.22	10.26
Bihar	17.45	23.70	37.79	30.95
Gujarat	13.01	19.14	38.36	38.18
Haryana	12.25	16.58	12.43	8.86
Himachal Pradesh	9.18	9.96	2.44	12.16
Jammu & Kashmir	10.09	11.80	10.25	4.06
Karnataka	23.65	18.80	44.82	38.98
Kerala	32.07	35.13	31.02	28.14
Madhya Pradesh	3.81	19.88	35.71	42.43
Maharashtra	9.41	12.63	19.46	33.98
Manipur	2.45	1.47	11.09	11.08
Meghalaya	13.62	13.89	17.76	20.36
Nagaland	5.98	5.05	-	-
Orissa	11.20	14.80	37.54	46.64
Punjab	10.70	14.41	15.92	11.79
Rajasthan	12.13	18.56	17.64	42.36
Tamilnadu	17.24	22.41	32.63	44.80
Tripura	8.04	5.31	12.12	2.80
Uttar Pradesh	16.28	16.02	31.33	16.82
West Bengal	11.68	16.35	21.02	26.52
India	16.21	17.71	28.06	33.38

Table -20A

States where casualization of the Non-Agrarian Urban workforce
is evident - Males

States	Rate of casuali- zation	Rate of wage- isation	Regular Wage Sector
Andhra Pradesh	14.55	+ 6.79	positive absorption
Assam	103.83	+ 3.14	negative absorption
Gujarat	47.12	+ 6.94	negative absorption
Haryana	35.35	+17.31	positive absorption
Himachal Pradesh	8.50	+16.24	positive absorption
Kerala	9.54	+ 4.80	positive absorption (marginal)
Madhya Pradesh	421.78	+17.82	negative absorption
Maharashtra	34.22	+ 2.95	negative absorption
Orissa	32.14	+21.38	positive absorption
Punjab	34.67	+17.17	positive absorption
Tamilnadu	29.99	+ 8.81	positive absorption
Bihar	35.82	- 6.06	negative absorption
Jammu & Kashmir	16.95	-10.02	negative absorption
Meghalaya	1.98	-15.10	negative absorption
Rajasthan	53.01	- 2.34	negative absorption
West Bengal	39.98	- 1.72	negative absorption

Table- 20B
States where casualization of the Non-Agrarian Urban Workforce
is not evident - Males

States	Rate of casualization	Rate of wage-isation	Regular Wage Sector
Tripura	-33.96	+ 2.65	positive absorption
Karnataka	-20.51	+10.86	positive absorption
Manipur	-40.00	-21.90	negative absorption
Nagaland	-15.55	-10.08	negative absorption
Uttar Pradesh	- 1.60	- 7.76	negative absorption

Table - 21A
States where casualization of the Non-Agrarian Urban Workforce
is evident - Females

States	Rate of casualization	Rate of Wage-isation	Regular Wage Sector
Madhya Pradesh	18.82	+ 8.38	negative absorption
Maharashtra	74.61	+12.27	negative absorption
Orissa	24.24	+25.60	positive absorption
Tamilnadu	37.30	+56.07	positive absorption
West Bengal	26.17	+ 5.11	negative absorption
Himachal Pradesh	398.36	-10.88	negative absorption
Meghalaya	14.64	-44.83	negative absorption
Rajasthan	140.14	-42.85	negative absorption

Table - 21B

States where casualization of the Non-Agrarian Urban Workforce
is not evident - Females

States	Rate of casuali- zation	Rate of wage- isation	Regular Wage Sector
Andhra Pradesh	- 2.16	+10.81	Positive absorption
Gujarat	- 0.47	+15.94	Positive absorption
Karnataka	-13.03	+18.53	Positive absorption
Kerala	- 9.28	+21.15	Positive absorption
Nagaland	-00.00	+ 8.08	Positive absorption
Punjab	-25.94	+35.92	Positive absorption
Tripura	-76.90	+ 8.13	Positive absorption
Uttar Pradesh	-46.31	+26.67	Positive absorption
Assam	-16.04	- 5.66	Negative absorption
Bihar	-18.10	- 6.89	Positive absorption
Haryana	-28.72	-21.68	Negative absorption
Jammu & Kashmir	-60.39	-22.11	Negative absorption
Manipur	- 0.09	-43.36	Negative absorption

Table - 22

Non-Agrarian Urban Workforce - Categorisation of States
according to the six types

<u>Type I</u>	-	$\frac{WL}{TW} \uparrow$	-	$\frac{CL}{WL} \uparrow$	-	$\frac{CL}{RW} \uparrow$	-	$\frac{RW}{TW} \uparrow$
Males	-	Andhra, Haryana, Himachal, Orissa, Punjab, Tamilnadu, Kerala (marginally)						
Females	-	Orissa, Tamilnadu						

<u>Type II</u>	-	$\frac{WL}{TW} \uparrow$	-	$\frac{CL}{WL} \uparrow$	-	$\frac{CL}{RW} \uparrow$	-	$\frac{RW}{TW} \downarrow$
Males	-	Assam, Gujarat, (marginally) Madhya Pradesh (marginally) Maharashtra (marginally)						
Females	-	Madhya Pradesh (marginal), Maharashtra, West Bengal (marginal)						

<u>Type III</u>	-	$\frac{WL}{TW} \downarrow$	-	$\frac{CL}{WL} \uparrow$	-	$\frac{CL}{RW} \uparrow$	-	$\frac{RW}{TW} \downarrow$
Males	-	Bihar, Jammu & Kashmir, Meghalaya, Rajasthan, West Bengal						
Females	-	Himachal, Meghalaya, Rajasthan.						

<u>Type IV</u>	-	$\frac{WL}{TW} \uparrow$	-	$\frac{CL}{WL} \downarrow$	-	$\frac{CL}{RW} \downarrow$	-	$\frac{RW}{TW} \uparrow$
Males	-	Karnataka, Tripura						
Females	-	Andhra, Gujarat, Karnataka, Kerala, Nagaland Punjab, Tripura, Uttar Pradesh						

<u>Type V</u>	-	$\frac{WL}{TW} \downarrow$	-	$\frac{CL}{TW} \downarrow$	-	$\frac{CL}{RW} \downarrow$	-	$\frac{RW}{TW} \downarrow$
Males	-	Manipur, Nagaland, Uttar Pradesh						
Females	-	Assam, Haryana, Jammu & Kashmir, Manipur						

<u>Type VI</u>	-	$\frac{WL}{TW} \downarrow$	-	$\frac{CL}{WL} \downarrow$	-	$\frac{CL}{RW} \downarrow$	-	$\frac{RW}{TW} \uparrow$
Males	-	Nil						
Females	-	Bihar						

Issues analysed - A Round-up

1. In the 5 year period 1977-78 to 1983, the urban labour market in the country has been far from static. Considering only the non-agrarian urban workforce, 12 states showed in the case of male workforce the phenomenon of wage-isation. 7 of these states also recorded wage-isation among females, in addition to another state which showed the feature for female workforce out not the male workforce. The entire penninsular India including Maharashtra and Orissa recorded the wage-isation phenomenon.
2. A reduction in the relative size of the wage sector (that is where wage-isation is negative) is to be noticed in the states of Bihar, Uttar Pradesh and West Bengal in the case of males, and Rajasthan in the case of females. Such a reduction was also evident in Meghalaya for both males and females; and in Nagaland and Jammu & Kashmir for males alone.
3. In the case of males, excepting Karnataka in all the other states where the wage-isation process was evident, there has also been in the 5 year period the process of casualization of wage labour. As a matter of fact, in the case of males, the casualization process has been more rampant than wage-isation. Even states where there was a relative decline in the wage sector, the casualization process was evident. These are Bihar, Jammu & Kashmir, Meghalaya, Rajasthan and West Bengal.
4. Interestingly it appears that the casualization process is not so widespread among females, even though wage-isation appears to have occurred in 8 states. Of these 8 states only in Maharashtra, Orissa and Tamilnadu

is casualization of the non-agrarian urban workforce evident. As in the case of males, Rajasthan and Meghalaya indicate the casualization process though the wage sector has declined. Himachal Pradesh is yet another state following the same pattern.

5. If the entire urban work sector is divided into the Wage Sector (WS) and Self Employed Sector (SES) with the Wage Sector (WS) further categorised into the Regular Wage Sector (RWS) and the Casual Wage Sector (CWS), the labour market dynamics in Urban India in the last five years can be categorised into the following six types.

- i) $\frac{WL}{TW} \uparrow - \frac{CL}{WL} \uparrow - \frac{CL}{RW} \uparrow - \frac{RW}{TW} \uparrow$
- ii) $\frac{WL}{TW} \uparrow - \frac{CL}{WL} \uparrow - \frac{CL}{RW} \uparrow - \frac{RW}{TW} \downarrow$
- iii) $\frac{WL}{TW} \downarrow - \frac{CL}{WL} \uparrow - \frac{CL}{RW} \uparrow - \frac{RW}{TW} \downarrow$
- iv) $\frac{WL}{TW} \uparrow - \frac{CL}{WL} \downarrow - \frac{CL}{RW} \downarrow - \frac{RW}{TW} \uparrow$
- v) $\frac{WL}{TW} \downarrow - \frac{CL}{TW} \downarrow - \frac{CL}{RW} \downarrow - \frac{RW}{TW} \downarrow$
- vi) $\frac{WL}{TW} \downarrow - \frac{CL}{TW} \downarrow - \frac{CL}{RW} \downarrow - \frac{RW}{TW} \uparrow$

Given the widely accepted fact that modern sector employment is associated with wage employment in contrast to traditional sector activities where self employment is predominant, a state of increasing wage employment is an indicator of modern sector employment. However the status of employment even within the wage sector is a crucial indicator of both the nature of that modern sector development and throws light on the stability and instability of livelihood as well. An increase in Wage

Sector employment and in particular of the Regular Wage Sector Type (iv) situation is the most preferred pattern. By the same logic type (iii) situation can be taken to be the least preferred in terms of the stability of livelihood. Using both these criterion we note ^{that} Karnataka's urban employment scenario has been the most favourable, and Rajasthan the most unfavourable for both males and females. In fact the southern states with the exception of Tamilnadu shows the most preferred pattern in the case of female employment. That is, with the exception of Tamilnadu the phenomenon of wage-isation is not accompanied by the phenomenon of casualization but is accompanied by positive absorption in the Regular Wage Sector (RWS). In Tamilnadu, in the case of females the casualization process is also evident. In terms of the number of states revealing the most preferred type, there exists a greater number of states revealing that pattern for females. Along with the three southern states mentioned above, Gujarat and Uttar Pradesh also reveal the same pattern.

6. All states where RW/TW shows a decrease, it can be postulated that the absorptive capacity in RWS has been reached. Efforts to stimulate the absorption in RWS is most certainly needed, in the case of males in the states of the North Eastern region, and the region comprising Rajasthan, Uttar Pradesh, Bihar and West Bengal as well as Jammu & Kashmir. The relative absorption in RWS has been fairly static in Gujarat, Madhya Pradesh and Maharashtra.

In the case of females, the decrease in the relative absorption in RWS is apparent in Maharashtra, Rajasthan and Haryana apart from the North Eastern states of Assam, Meghalaya and Manipur, as also Jammu & Kashmir. In Madhya Pradesh and West Bengal the relative absorption has remained almost static.

Wage-isation, Casualization and Unemployment

Table 23 gives the unemployment rate in Urban India in the two rounds. It is to be noted that in general unemployment rates among females are higher than males. To examine the relationship between wage-isation, casualization and unemployment we tested the following two hypotheses.

- i) It is generally expected that an increase in wage employment relative to self employment is likely to transform disguised unemployment into open unemployment. Thus states with a higher incidence of wage labour in the total workforce are also likely to be states with a higher unemployment rate. By the same logic of reasoning it can be expected that states which over time indicate the wage-isation phenomenon are also states likely to indicate an increase in unemployment rates.
- ii) If casualization of wage labour arises largely because of the surplus labour situation, then the incidence of casual labour in the wage labour force is expected to be positively correlated with the unemployment rate. It can also be expected that in states where casualization has been evident, the unemployment scenario has worsened.

Table-23

Unemployment Rate in Urban India - Current Daily Rates

States	Males		Increase or Decrease	Females		Increase or Decrease
	32	38		32	38	
Andhra Pradesh	10.69	8.31	-2.38	14.04	10.06	- 3.98
Assam	4.04	9.93	+5.89	4.87	19.27	+14.4
Bihar	8.04	7.34	-0.70	10.92	4.49	- 6.43
Gujarat	6.82	9.36	+2.54	7.21	6.16	- 1.05
Haryana	7.01	7.21	+ .20	7.49	4.58	- 2.91
Himachal Pradesh	5.84	6.68	+0.84	17.81	13.06	- 4.75
Jammu & Kashmir	5.05	5.35	+0.30	27.90	17.02	-10.88
Karnataka	10.39	10.77	+0.38	14.62	13.71	- 0.91
Kerala	25.02	22.61	-2.41	25.86	29.37	+ 3.51
Madhya Pradesh	5.87	6.83	+0.96	4.88	6.21	+ 1.33
Maharashtra	8.99	7.32	-1.67	16.12	12.17	- 3.95
Manipur	1.61	0.51	-1.10	00.00	00.00	
Meghalaya	0.98	4.82	+3.84	4.66	26.77	+22.11
Nagaland	0.59	-	-0.59	3.46	00.00	- 3.46
Orissa	8.86	10.47	+1.61	8.21	14.90	+ 6.69
Punjab	4.69	6.15	+1.46	10.45	21.68	+11.23
Rajasthan	5.51	5.97	+0.46	4.56	3.73	- 0.83
Tamilnadu	13.28	14.96	+1.68	18.97	17.89 ³⁴	-1.08 ^{1.63}
Tripura	13.05	7.94	-5.11	25.41	23.48	- 1.93
Uttar Pradesh	6.70	6.92	+0.22	4.29	4.36	+ 0.07
West Bengal	11.68	11.91	+0.23	14.38	20.58	+ 6.20
India	9.40	9.20	-0.2	14.49	12.10	- 2.39

Table 24 provides the associated correlation coefficients and the t values.

Table - 24
Correlation Coefficients and their significance

Variables	Males		Females	
	32	38	32	38
$\frac{(WL)}{(TW)}$ NA & UNEMP RATE	-0.06	0.32 (1.47)	0.45 (2.20)	0.65 (3.73)
$\frac{(CL)}{(WL)}$ NA & UNEMP RATE	0.74 (4.82)	0.81 (6.02)	0.02	-0.12
$\frac{WL}{TW}$ NA (32-38) & UNEMP RATE (32-38)		0.05	-0.24	
$\frac{CL}{WL}$ NA (32-38) & UNEMP RATE (32-38)		0.40 (1.9)	-0.01	

From the above table results, it can be inferred that only parts of the two postulated hypotheses are valid. The first hypotheses on wage-isation and unemployment appears to hold true partially for females alone. That is in both the rounds (32nd & 38th) the correlation between the incidence of wage labour in the non-agrarian urban workforce and unemployment rate is positive and significant. This means that while a simple classification of states with higher incidence of self employment and higher disguised unemployment, and states with higher wage employment and higher open unemployment can be postulated for females, the male workforce does not permit such a simple classification. Neither does the hypotheses hold valid in terms of wage-isation and increasing unemployment rate over time.

Similarly the second hypothesis of casualization and unemployment appears to be valid partially for males. In both the years 1977-78 and 1983 it appears that in the case of males, states where the unemployment rate was high, the incidence of casual labour in the wage labour force was also high. The correlation in both periods is positive and significant. While the incidence of casual labour in the wage labour force is in general higher among females, it appears that the presence or absence of surplus labour has little effect on casualness of employment among females. This is likely to be so when casual employment has an autonomous existence of its own. When casual employment does not have an autonomous existence, but is related to employment in the Regular Wage Sector, then the pressure on casualizing part of the regular wage employment is likely to be high under situations of surplus labour. This appears to be the case with the male non-agrarian urban workforce. The result considering the casualization phenomenon and increasing unemployment rate over time in the case of males also appears to be valid, though the significance test fails by a marginal lowering of the t value.

The thrust of this paper has been to examine the dynamics of urban labour markets in the 5 year period 1977-78 and 1983, by specifically focussing on the phenomena of wage-isation and casualization and their relationship to unemployment. This paper forms part of a larger work on urban labour force. As much of the later analysis involving occupational structure will be in terms of usual status, in which again the two above mentioned phenomena will be discussed, this paper has restricted itself only to analysis of data with respect to Current Daily Status.

DATA SOURCE

The data for this paper has been drawn from the following issues of Sarvekshana.

- | | | |
|-------------|-------|---------------------------------------|
| Sarvekshana | (i) | Vol IX, No 4, April 1986. |
| | (ii) | Vol VII No 3, January 1984. |
| | (iii) | Vol VII No 4, April 1984. |
| | (iv) | Vol VI Nos 3 & 4, January-April 1983. |
| | (v) | Vol VI Nos 1 & 2, July-October 1982 |
| | (vi) | Vol V, Nos 1 & 2, July-October 1981 |

ANNEXURE - IACTIVITY CATEGORIES USED IN 32ND & 38TH ROUND SURVEYS

Code	Description
01-04	Working with an employer under obligation but work not specifically compensated by any wage/salary.
11	Worked (self-employed) in household enterprises.
21	Worked as helper in household enterprises.
31	Worked as regular salaried/wage employee.
41	Worked as casual wage labour in public works.
51	Worked as casual wage labour in other types of work
61	did not work though there was work in household enterprise
71	did not work but had regular salaried/wage employment.
81	sought work.
82	Did not seek but was available for work
91	Attended educational institutions.
92	Attended domestic duties only.
93	Attended domestic duties and was also engaged in free collection of goods (vegetables, roots, fire-wood, cattle feed etc) sewing, tailoring, weaving etc for household use.
94	too young to work/to attend school/to seek employment
95	old and disabled.

- 96 Rentiers, pensioners, remittance recipients
etc.
- 97 beggars, prostitutes etc.
- 98 others
- 99 Did not work due to temporary sickness
(for casual workers only).
