

URBAN EMPLOYMENT IN INDIA: RECENT TRENDS & FUTURE PROSPECTS

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REMARKS

- **Urban Employment in India: 2000-2010**

- **Inclusive Urban Growth**

- increase formal jobs
- support urban livelihoods

- **Inclusive Cities: A Paradigm Shift**

- inclusive urban planning & regulations
- fair & hybrid urban economy

Note: Source of All Data: NSS Surveys – as analyzed by G. Raveendran and reported in Chen, Martha and G. Raveendran 2012: “Urban Employment in India: Recent Trends & Future Prospects”, forthcoming in *Margin*, journal of the National Council for Applied Economics Research

EMPLOYMENT & URBANIZATION TRENDS IN INDIA

□ **Employment Growth Rate**

- 2.8% per annum between 2000 and 2005
- 0.2% per annum between 2005 and 2010
 - decline in labour force participation rates, especially for women (from 42% to 32%)

□ **Urbanization:** share of the Indian population living in urban areas -

- increased from around 28% (290 million) in 2000 to around 30% (340 million) in 2008
- expected to increase to 40% (590 million) by 2030 (McKinsey Global Institute 2010)

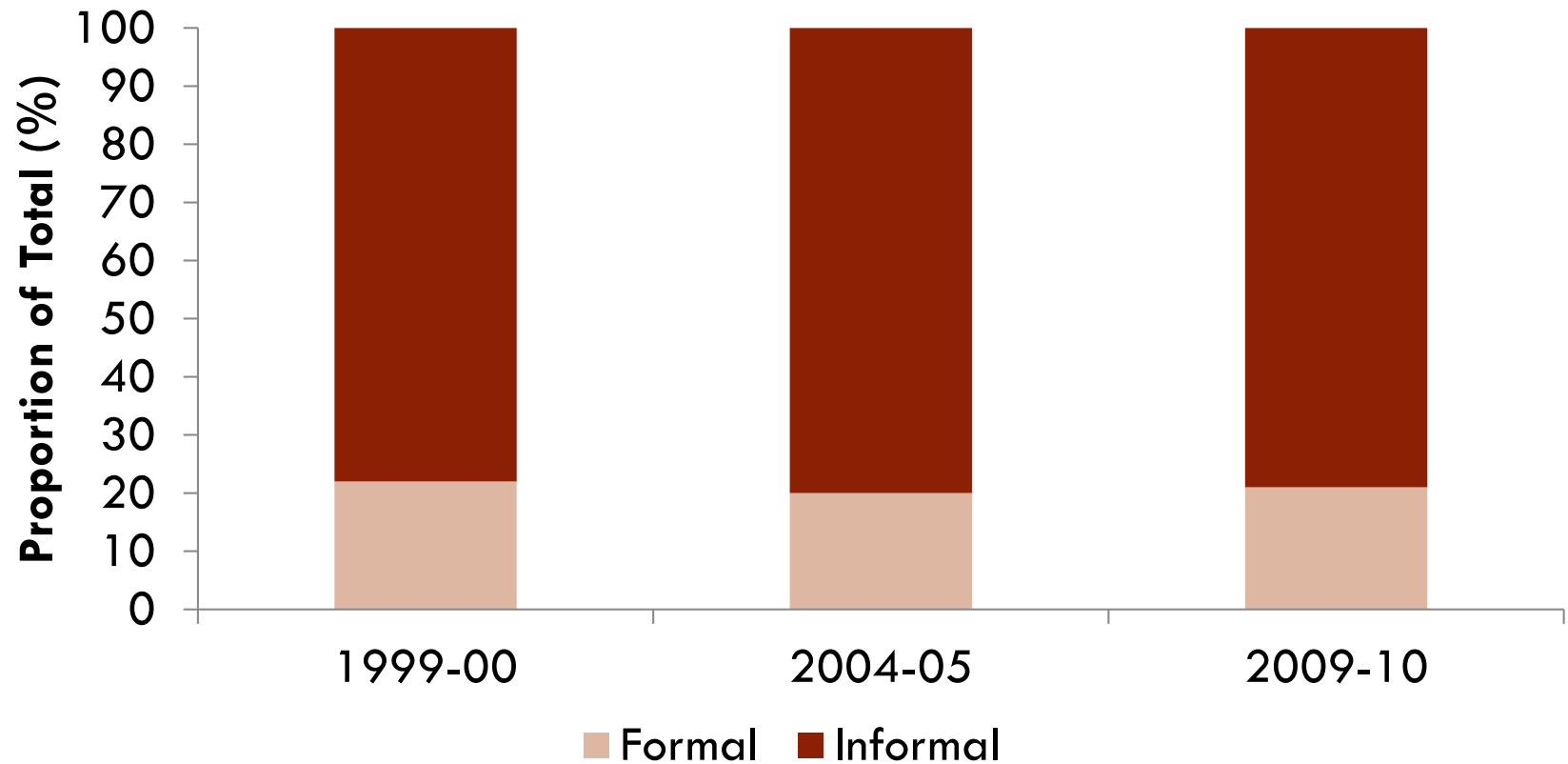
INFORMAL EMPLOYMENT:

2003 International Conference of Labour Statisticians

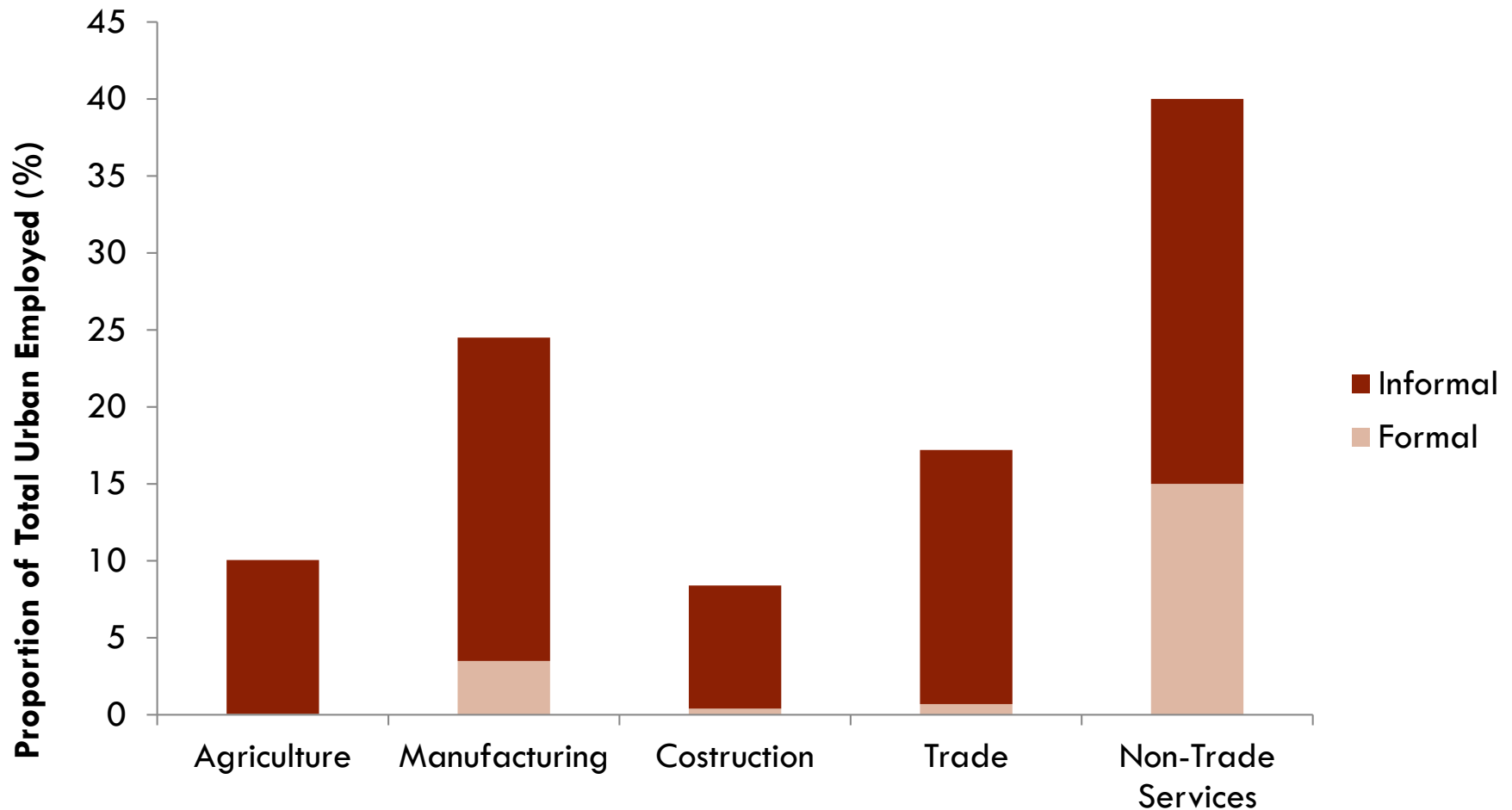
- **Self-Employed in Informal Enterprises (i.e. unincorporated enterprises that may also be unregistered and/or small)**
 - *employers*
 - *own account operators*
 - *unpaid contributing family workers*
 - *members of informal producer cooperatives*

- **Wage Workers in Informal Jobs (i.e. jobs without employment-linked social protection)**
 - *informal employees of informal enterprises*
 - *informal employees of formal firms*
 - *domestic workers hired by households*

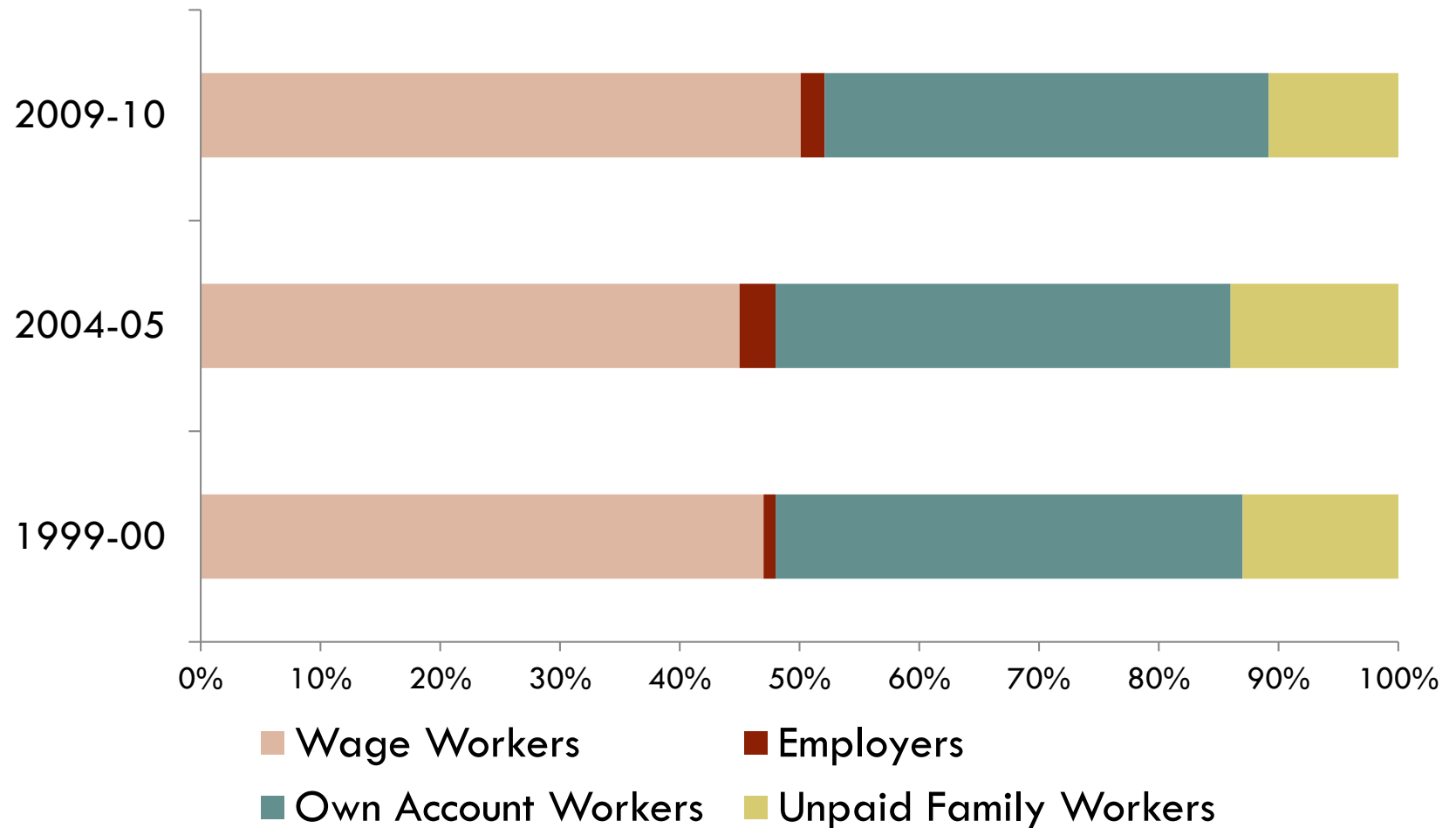
URBAN EMPLOYMENT: FORMAL & INFORMAL



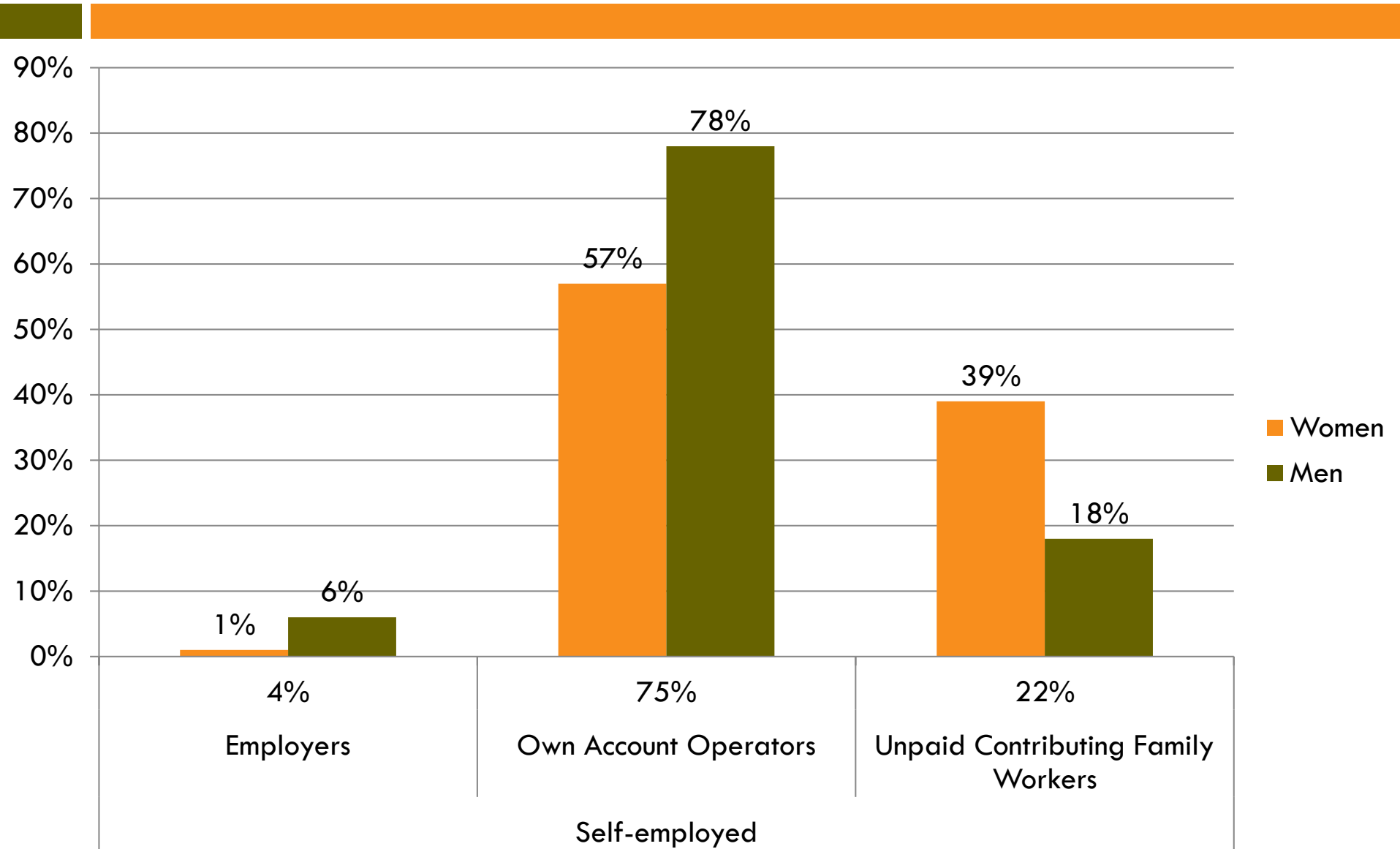
URBAN EMPLOYMENT (2009-2010): By Industry, Formal & Informal



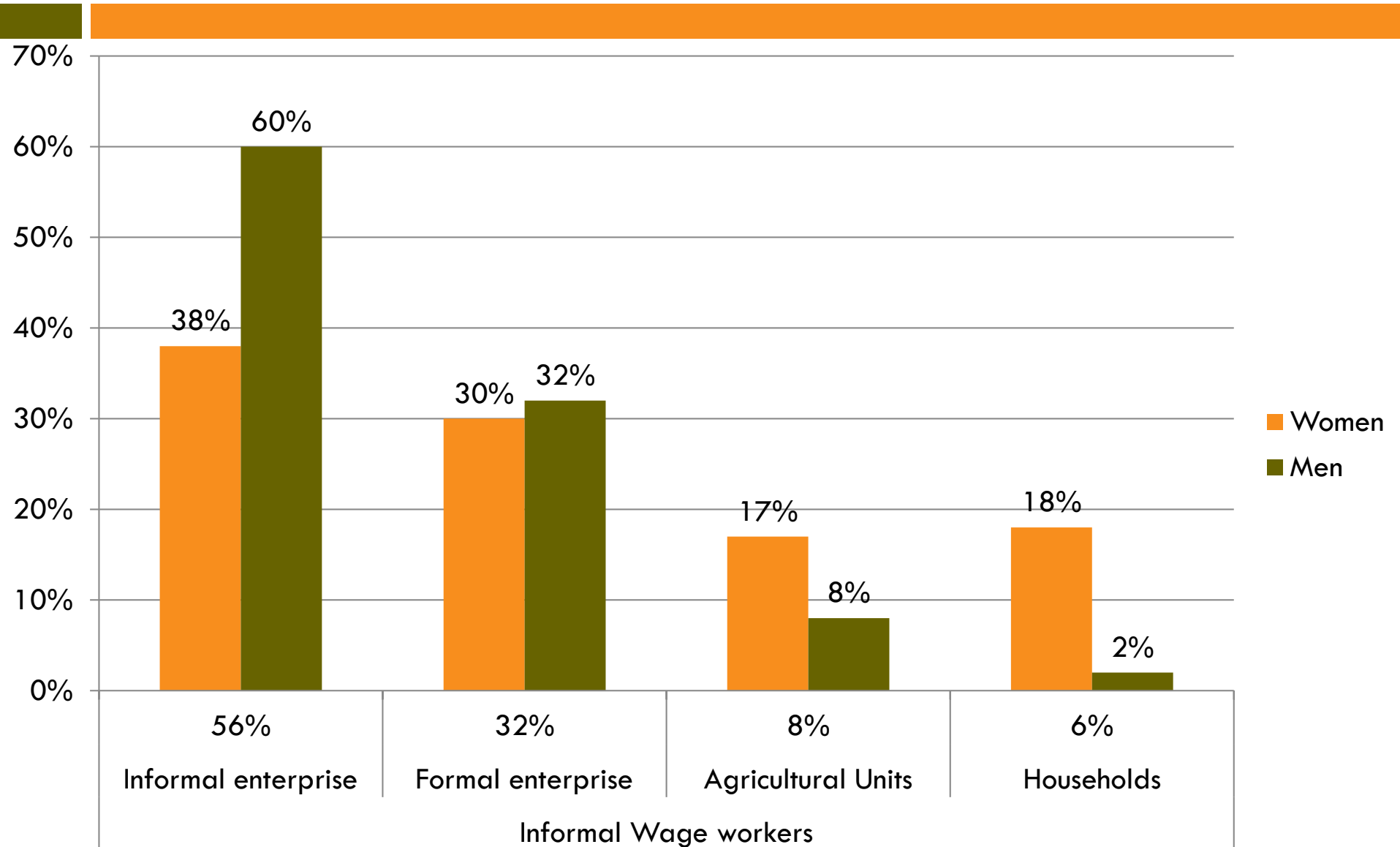
URBAN INFORMAL EMPLOYMENT: By Employment Status



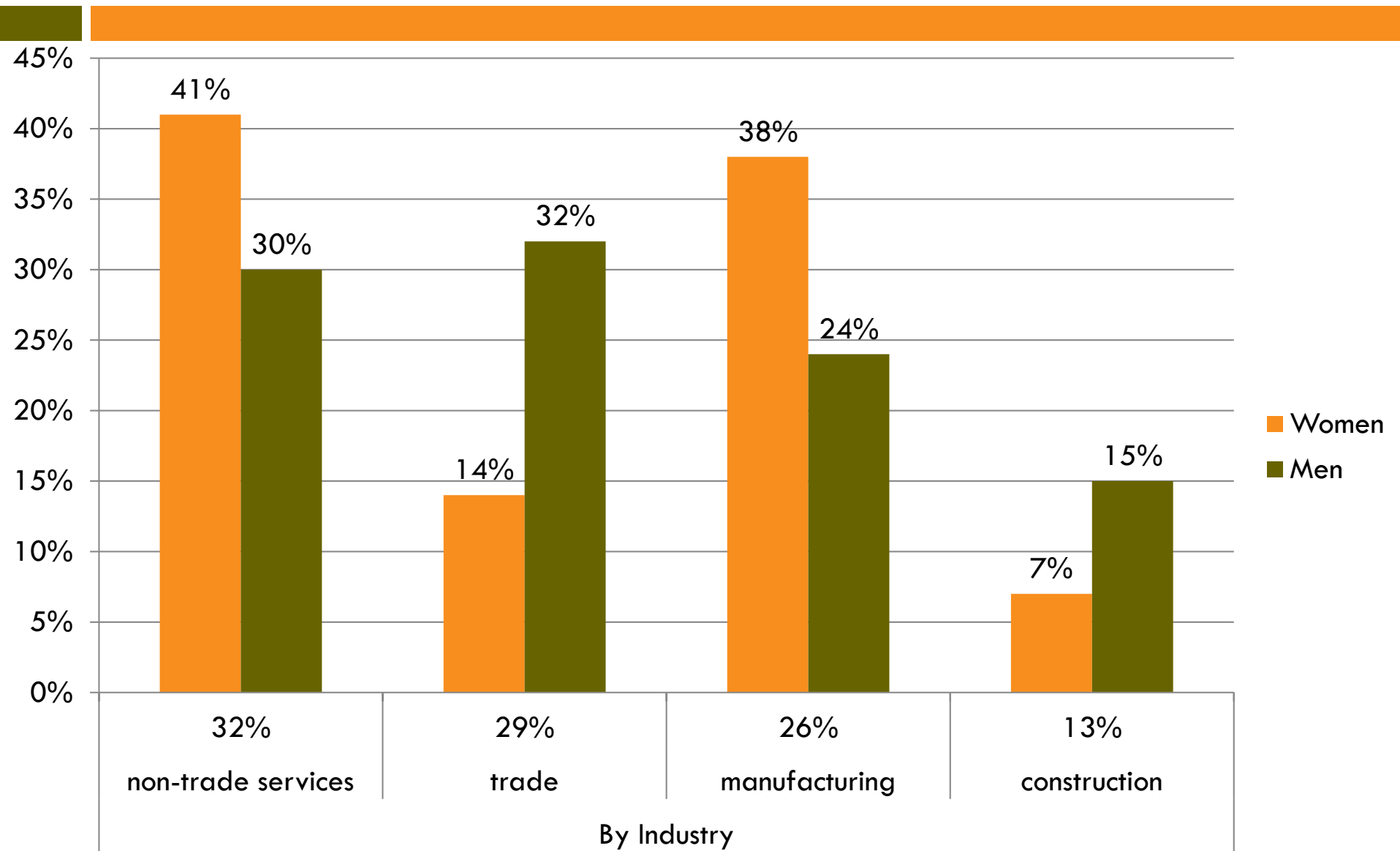
URBAN INFORMAL SELF-EMPLOYMENT (2009-10): By Employment Status



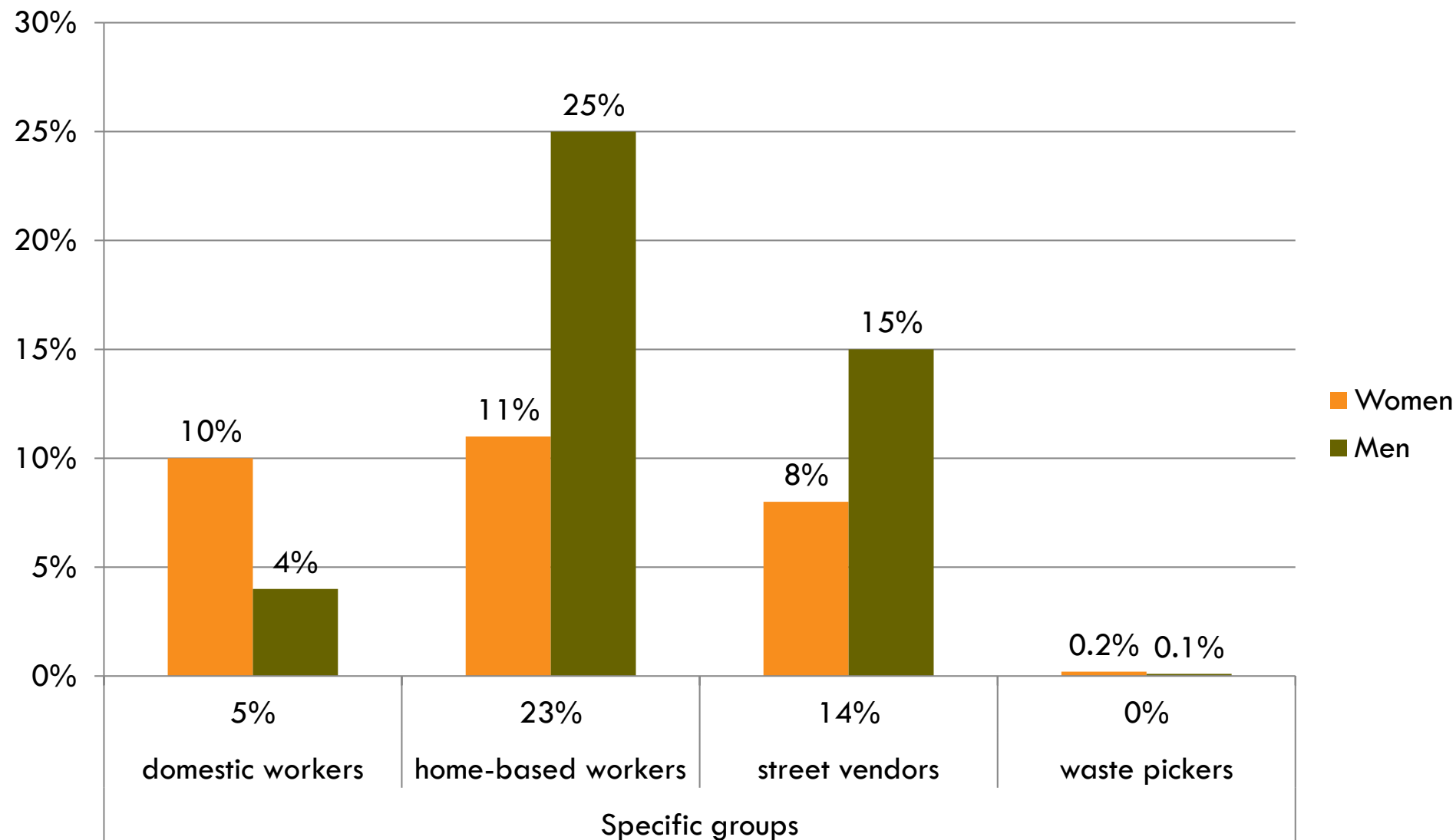
URBAN INFORMAL WAGE EMPLOYMENT (2009-10): By Unit of Employment



URBAN INFORMAL EMPLOYMENT (2009-10): By Industry



URBAN INFORMAL EMPLOYMENT (2009-10): By Specific Groups



URBAN INFORMAL EMPLOYMENT IN INDIA:

First Decade of the 21st Century

- **Informal employment as share of urban employment:** *remarkably stable at around 80%*
- **Significant churning within urban informal employment:**
 - first half: % of urban informal workers who were...
 - wage workers & own account workers + in services: *decreased*
 - employers & unpaid family workers + in manufacturing: *increased*
 - second half: % of urban informal workers who were
 - employers & own account workers & unpaid family workers + in manufacturing: *decreased*
 - wage workers + in construction: *increased*
- **4 groups of workers as share of urban informal workforce**
 - first half: domestic workers & home-based workers & waste pickers *increased* + street vendors *remained stable*
 - second half: *all 4 groups increased* – BUT the share of these groups *decreased significantly among women workers and increased significantly among men workers*

INCLUSIVE URBAN GROWTH

1 – **Expand formal employment opportunities – especially in manufacturing**

But assume that most of the working poor will remain in the informal economy and, therefore,

2 – **Support the working poor in the informal economy through...**

- **Protection** to reduce risk: through both legal and social protections
- **Promotion** to increase assets & earnings: through fair policies & regulations + financial, business, and training services
- **Participation** to increase voice: through organization & representative voice in relevant policy-making , rule-setting, and collective bargaining institutions and processes

INCLUSIVE URBAN GROWTH:

Support to Urban Livelihoods

□ Protection

- **home-based workers:** housing rights as their home=workplace + mixed use zoning regulations that allow commercial activities in residential areas
- **street vendors:** legal right to vend + to secure vending site in good location
- **waste pickers:** legal right to access waste + to bid for solid waste management contracts
- **all:** legal identity as legitimate workers/economic agents + social protection

□ Promotion

- **home-based workers:** basic infrastructure services to improve home=workplace
- **street vendors:** basic infrastructure services at vending sites
- **waste pickers:** equipment & infrastructure services, such as sorting-storage sheds & compacting machines
- **all:** financial & business development services + affordable public transport

□ Participation

- **all:** organization + representation in policy-making & rule-setting institutions

PARADIGM SHIFT: FROM JOBS TO LIVELIHOODS AND LABOUR TO URBAN REGULATIONS

- **Inclusive Urban Employment** = requires rethinking...
 - **beyond jobs** -> livelihoods
 - **beyond labour markets** -> markets for goods & services + financial market
 - **beyond labour policies/regulations** -> policies/regulations re goods & services + government taxation & expenditure/procurement + *urban regulations regarding who can do what where*
- **Inclusive Urban Planning and Regulations** = requires incorporation of and support to the working poor and their...
 - **informal livelihoods**
 - **informal habitats**

PARADIGM SHIFT: HYBRID & FAIR URBAN ECONOMIES

“The challenge is to convince the policy makers to promote and encourage hybrid economies in which micro-businesses can co-exist alongside small, medium, and large businesses: in which the street vendors can co-exist alongside the kiosks, retail shops, and large malls. Just as the policy makers encourage bio diversity, they should encourage *economic diversity*. Also, they should try to promote a *level playing field* in which all sizes of businesses and all categories of workers can compete on equal and fair terms.”

Ela Bhatt

Founder, Self-Employed Women's Association