

A Decade of Economics Reforms: Whither Employment?

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Abstract

Employment creation and wage security have been primary goals of developing countries. The present paper analyses the wage-employment scenario in India in the post-reform period. The workforce structure is exhibiting upward mobility across wage classes, moving towards regular employment, and shifting in favour of tertiary sector jobs — the pace decelerating in the second half of the study period. Thus expansion of employment has not been as distress a phenomenon as often apprehended. There is a shift of middle wage level jobs from regular to casual employment, leading to declining inequality among casual workers and increased inequality among regulars. However, availability of mandays is decreasing, especially among casual workers. Perhaps jobs are continuously and decisively getting transformed from regular to casual employment and then being outsourced to the self-employeds. Increasing disparity between workers of High and Low Income States, and between White collar and Blue Collar occupations are concerns that need to be addressed. Creating more mandays of work and facilitating capacity building through education and skill formation should be the policy focus.

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