

“ We will create
two crore jobs
each year if
elected to power.
Narendra Modi
(2013)

EMPLOYMENT, WAGES AND INEQUITY

11 MARCH 2024



All the data and analysis presented here is based on publicly available government data. We use data from the Periodic Labour Force Survey (PLFS) and the now discontinued Employment-Unemployment Survey. The analysis is representative of 49 crore workers in the country for the year 2022-23.



CLAIMS

PROMISES BY NARENDRA MODI

2

Crore Jobs
Each Year

“Opportunities for employment and self-employment are becoming available equally to all”

PM Modi (2022)

“Today, India's trajectory and the pace of its progress are generating new employment prospects across all sectors”

PM Modi (2023)

REALITY

WHAT DOES THE GOVERNMENT'S OWN DATA SAY?

| Table 1* | SELF EMPLOYMENT | | CASUAL EMPLOYMENT | | REGULAR SALARY | |
|-----------|-----------------|--------|-------------------|--------|----------------|--------|
| | Male | Female | Male | Female | Male | Female |
| 2011-2012 | 51.5% | 56.5% | 28.2% | 28.7% | 20.3% | 14.8% |
| 2022-2023 | 53.4% | 64.3% | 22.8% | 17.1% | 23.8% | 18.6% |

Between 2011-12 to 2022-23, the share of the self-employed in the workforce has risen. More than half of the men and more than two-thirds of women are presently '**self-employed**' – a category that includes rural weavers, farmers, potters, urban roadside vendors, tailors, barbers, etc. as well as unpaid workers in small household enterprises.

On the face of it, being self-employed sounds good but in reality, well-paying jobs with social security have shrunk and people are **forced to resort to low-paying self-employment** options. Many are exercising this option instead of being in dire hunger or death.

Stagnant household earnings among the poor force more women to work even as unpaid helpers such as working without earnings in family farms or small shops because they cannot find any other remunerative employment. In the last 5 years, women working as unpaid household helpers has risen from **1 in 4 to 1 in 3**.

9.79 lakh vacant posts in union government jobs alone. This is based on the response given in the Lok Sabha by the Minister of State, Jitendra Singh in December 2022. The share of men in regular wage work has increased by 3 percentage points for men and about 3.8 percentage points for women.

*Data for 2011-12 is from the National Sample Survey (NSS) data. This survey was discontinued and the union government introduced the Periodic Labour Force Survey (PLFS) from 2017-18

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**“OUR
GOVERNMENT IS
WORKING IN
MISSION MODE
KEEPING IN MIND
THE FUTURE OF
THE YOUTH”**

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WHAT IS THE EMPLOYMENT REALITY OF THE YOUTH?

Figure 1* shows the unemployment rates across age and education levels.

42%

of the graduates under the age of

25

are **unemployed**.

Figure 1: Unemployment rates across age and education levels*

| | | | | | |
|-----------------------------------|--------------|-------|-------|-------|-----|
| Graduate and above | 41.7 | 21.4 | 7.9 | 3.4 | 1.4 |
| Higher Secondary | 16.4 | 6.3 | 4.1 | 1.4 | 1.1 |
| Secondary | 12.2 | 6.3 | 4.1 | 1.4 | 1.1 |
| Primary or Middle | 10.2 | 3.4 | 2.4 | 1.6 | 1.6 |
| Literate but below primary | 8.9 | 0.3 | 2.8 | 1.9 | 2.3 |
| Illiterate | 7.2 | 2.4 | 2.6 | 0.9 | 2.1 |
| | Less than 25 | 25-29 | 30-34 | 35-39 | 40+ |

*Data source: PLFS 2022-23

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“This is the time when opportunity and incomes are both rising and poverty is declining.”

PM Modi, Feb 2024

“Growing prosperity augurs well for national progress. Undoubtedly, we are standing at the cusp of a new era of economic prosperity and are on course towards fulfilling our dream ‘Viksit Bharat’ by 2047”

PM Modi, Aug 2023

“Under our government, there has been a 42% growth in the National Minimum Wage. We will maintain the same direction over the next five years to ensure a respectable living for the workers.”

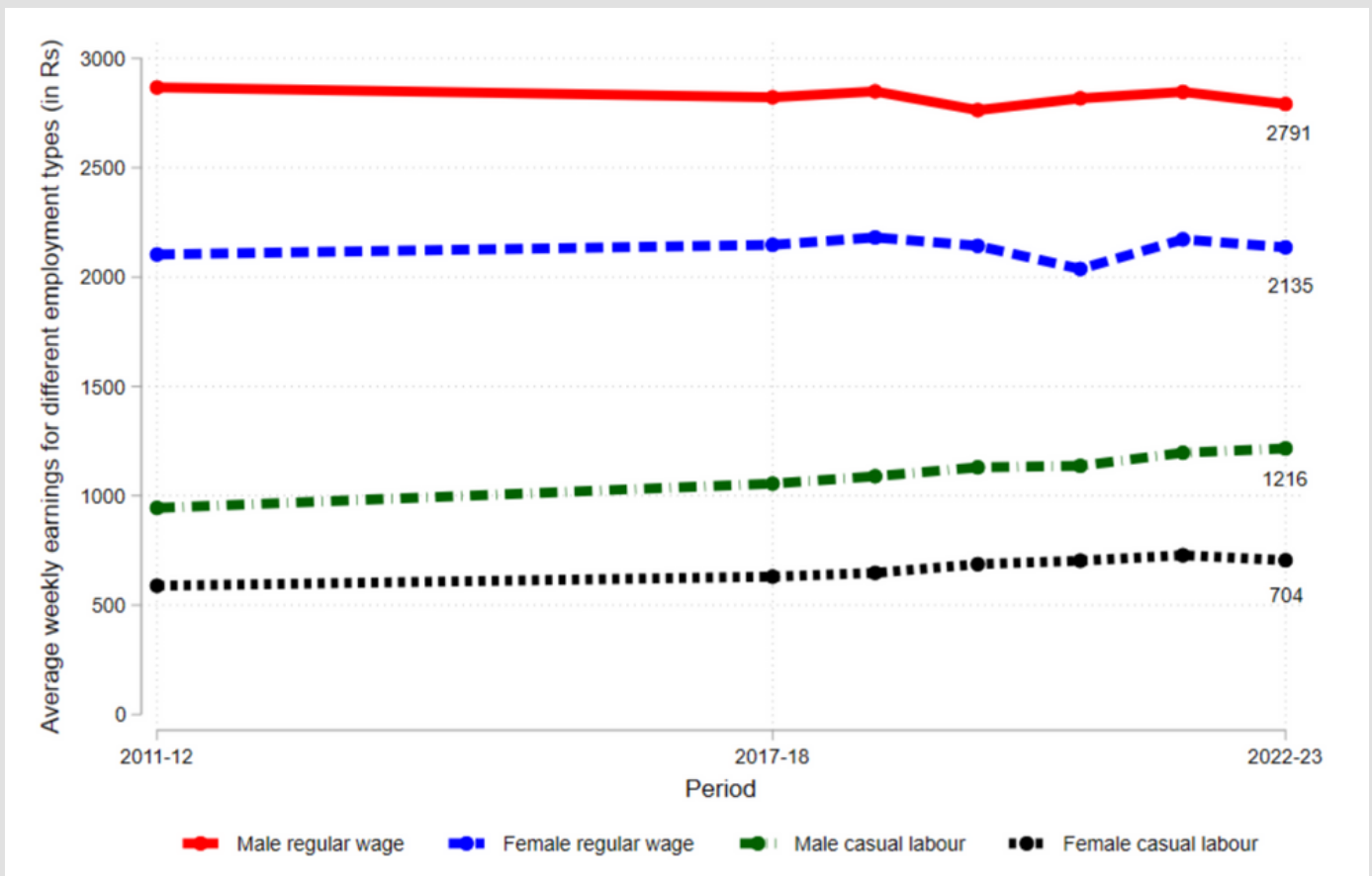
BJP Manifesto (2019)

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WAGES & EARNINGS

IN THE DIFFERENT TYPES OF EMPLOYMENT

Figure 2: Average weekly wages for **regular wage & casual labourers** adjusted for inflation



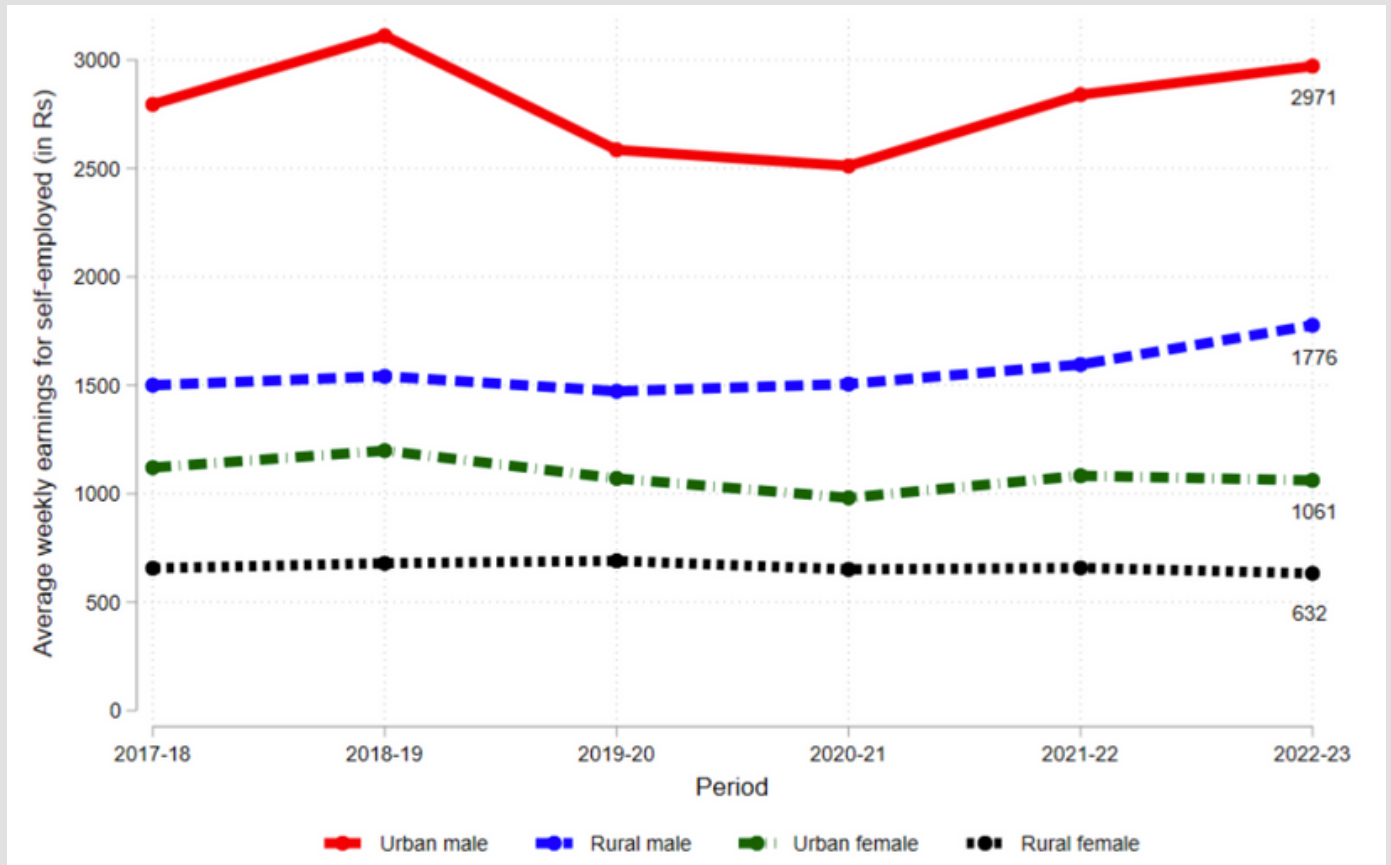
Figures 2 and 3 show that wages in real terms have been stagnant, 'In real terms' means they are adjusted for inflation. The value of what can be purchased with Rs 100 in 2011 is not the same as what can be purchased with Rs 100 in 2024 because of inflation.

Inflation adjustment is a way to make comparisons possible. Ideally, if people are earning more today compared to 2011, then the lines in Figures 2 and 3 should rise but in fact they are flat indicating no real income growth.

Moreover, many casual labourers do not get work daily which pushes them to higher vulnerability.

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Figure 3: Average weekly wages for **self employed** adjusted for inflation



An expert committee on wages, set up by the Ministry of Labour and Employment, Government of India, led by Anoop Satpathy in 2019, said **that the national minimum floor wages in India should be at least Rs 375 per day.**

This was calculated based on the amount of money needed to ensure a balanced diet for each person. In addition to the minimum wages, the committee also recommended an additional housing allowance of Rs 1,430 per month for urban workers.

However, **none of these recommendations were adopted by the Government of India** and no official reason was provided. In 2023, the weekly national minimum floor wages would be Rs 3,050.

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HOW MANY ARE EARNING LESS THAN THE NATIONAL MINIMUM FLOOR WAGES?

1/2

Regular wage
workers

9/10

Casual wage
workers

3/5

Self-employed
workers

In absolute numbers, nearly **30 crore** people are earning less than the national minimum floor wages or their earnings can be considered too harsh to live in.

This is like the combined population of Germany, France, UK, Spain, Netherlands, Portugal and Ireland living in dire conditions.

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Figure 4 shows the percentage of households earning less than the national minimum floor wages for rural and urban combined. Figure 5 shows the percentage of households earning less than the national minimum floor wages for rural and figure 6 shows it for urban.

Figure 4: % of households earning less than the national minimum floor wages - Overall

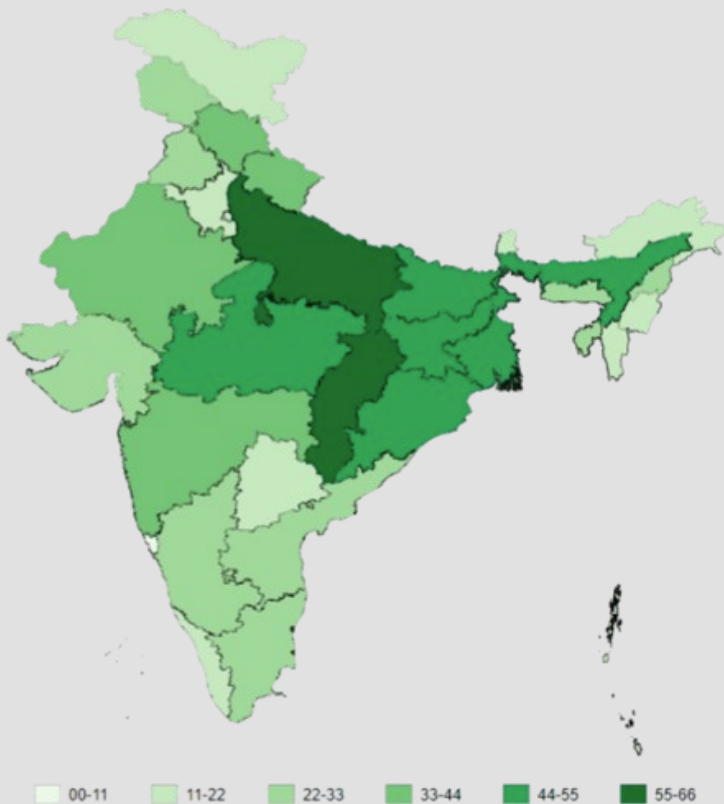
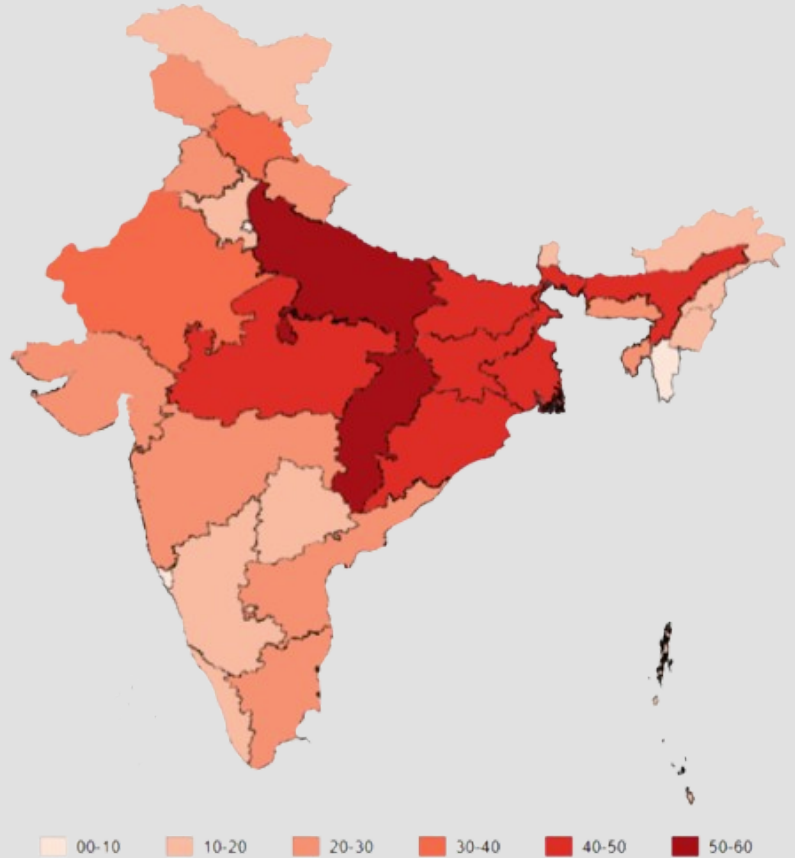


Figure 5: % of households earning less than floor wages - Rural

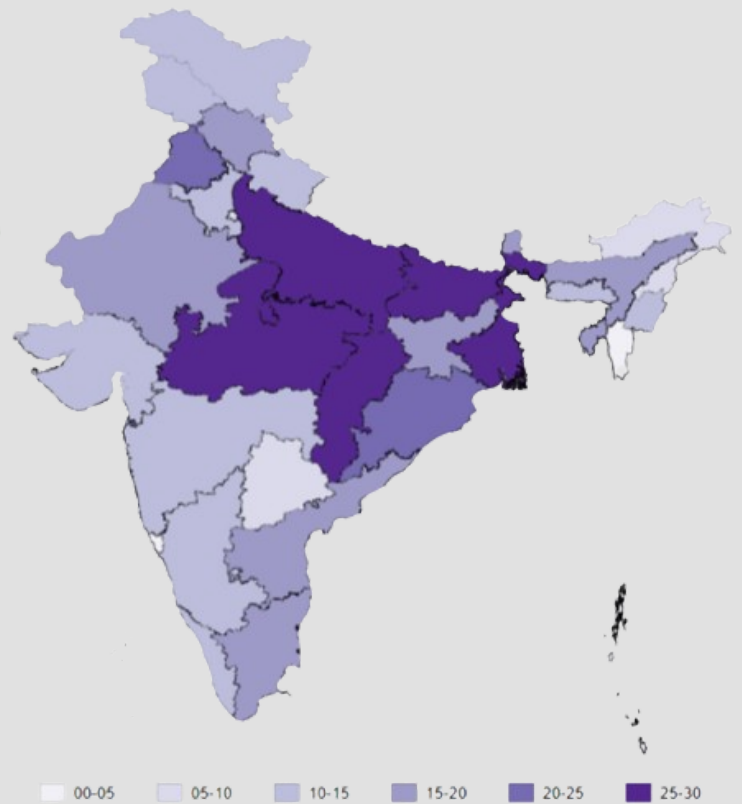


Figure 6: % of households earning less than the national minimum floor wages - Urban

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“For us development means the development of the poorest of the poor, development of dalit, tribals, backwards and deprived.”

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The **nominal per capita GDP** (Total GDP divided by population) between 2011-12 and 2022-23 has increased by more than

60%

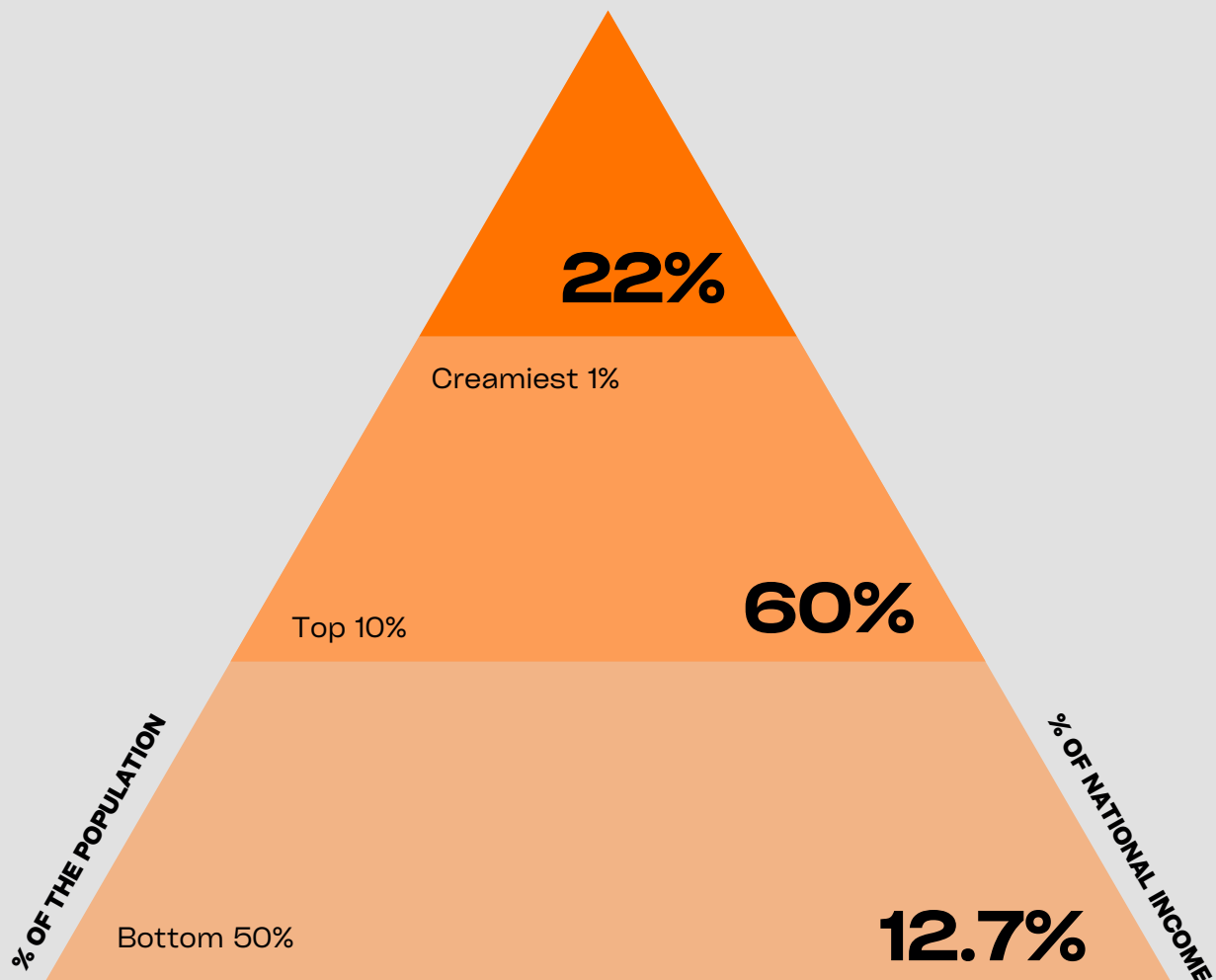
Whereas the incomes of the poor have barely risen.

34%

of households earn less than the national minimum floor wages.

What these mean is that GDP growth has only benefited the rich.

WHERE IS EVIDENCE THAT GDP GROWTH HAS ONLY BENEFITED THE RICH?*



*Source: <https://wid.world/country/india/>

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The contrast between the rich and the poor is more stark when we look at wealth inequality in addition to income inequality because wage income is just one part of wealth. Wealth of an individual is the sum total of incomes from all sources including wages/salaries, rents, interest from investments, stocks, and other assets such as land, car, house etc.

Figure 7 shows the wealth share of the top 10% and the bottom 50% of the population.

- In 2012, **63% of the national wealth was held by the top 10%**. This has increased to 64.5% in 2022.
- In 2012, the **bottom 50% held 6.1% of the national wealth**. This has further reduced to 5.6% in 2022.

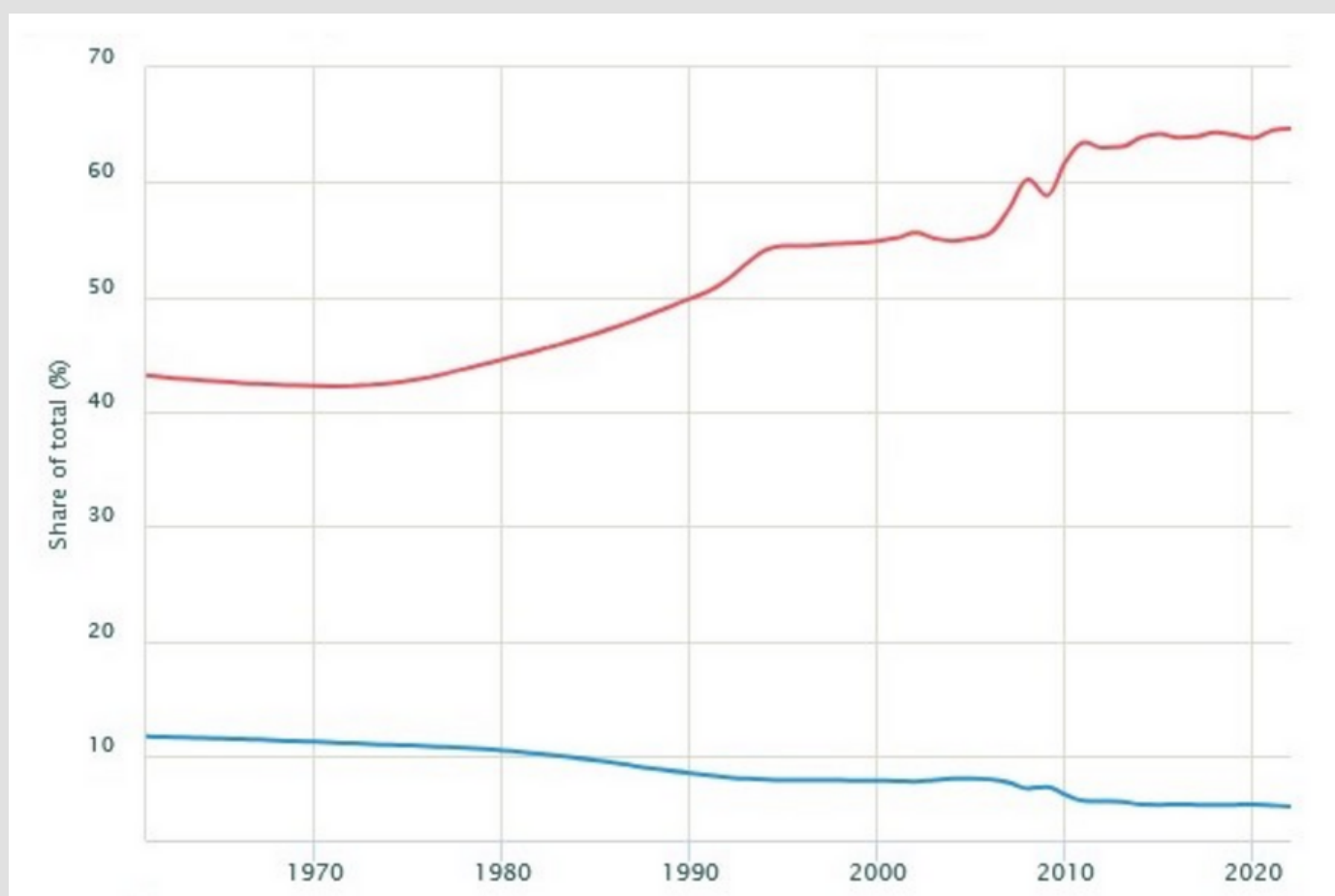


Figure 7: Wealth share of the top 10% and the bottom 50% in India

Who is affected by the widening inequality?

Inequitable distribution of wealth and income puts the marginalized in a precarious position.

As inequity rises, segments like these with no safety nets or protection are made even more vulnerable. The pandemic demonstrated what happens to vulnerable segments with no fall-back option in times of crisis.

WHAT CAN BE DONE?

A hungry person or somebody with ill-health or lacking adequate education cannot be economically productive. Wage stagnation and high levels of inequality are not only at odds with ethical and constitutional goals but are also detrimental to economic growth.

A well-fed, healthy, well-nourished and well-educated society is a prerequisite not only for overall well-being but also as an engine for economic growth. Many campaigns have articulated the following to be non-negotiable justiciable socio-economic rights*.

These would require a total allocation of

10%

of the GDP for social security. In addition to the current sources of funding, these can be funded through a wealth tax of

2%

and a

33.3%

inheritance tax on the top 1% of the population.

Right to food for all

Right to employment with living wages and timely payment of wages for all

Right to free and quality healthcare

Right to free and quality education

Right to pensions

*See chapter 1, For a set of universal economic rights by Prabhat Patnaik and Jayati Ghosh in 'We the People: Establishing Rights and Deepening Democracy' edited by Nikhil Dey, Aruna Roy and Rakshita Swamy

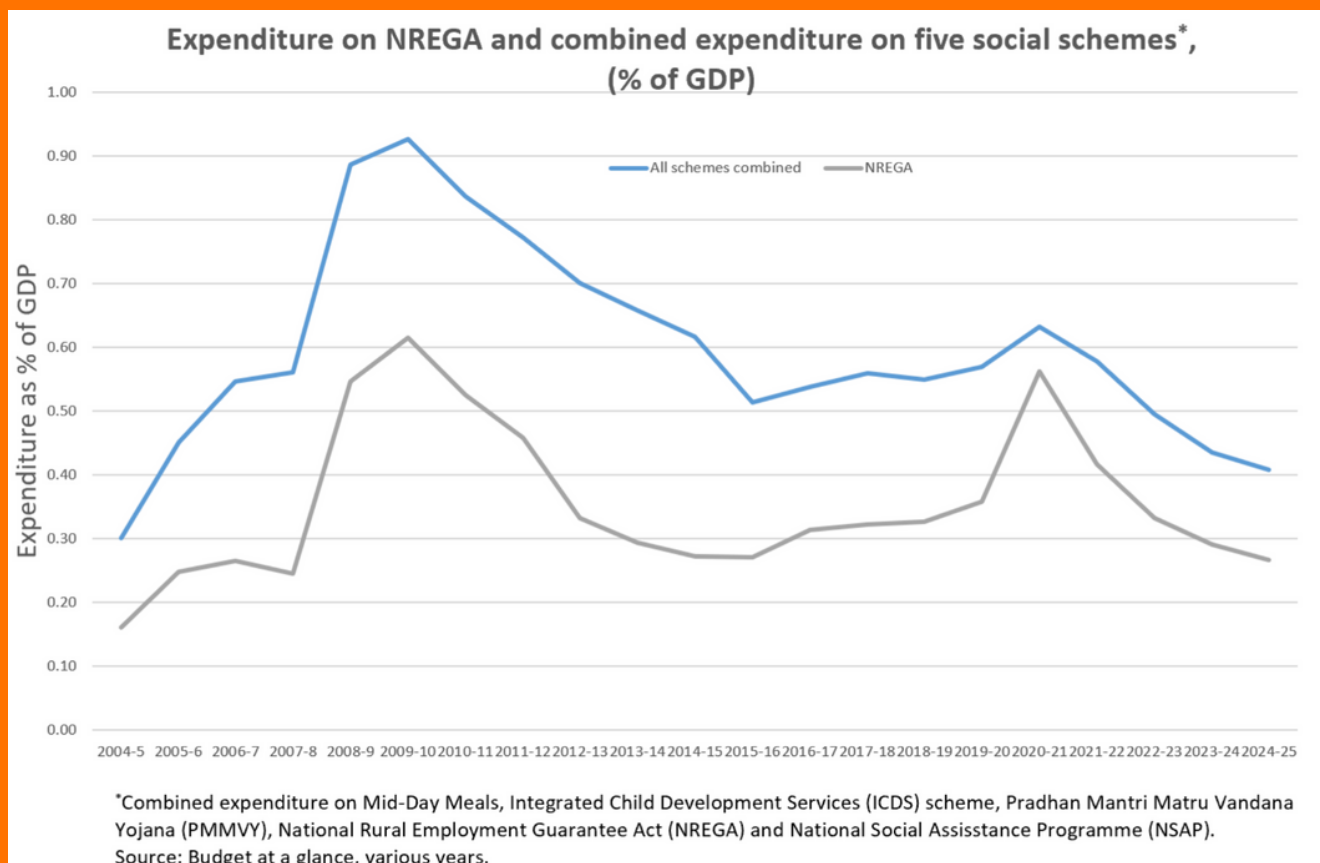
REALITY

WHAT IS THE BJP'S PRIORITY IN BUDGET 2024?

Figure 8 shows that the total expenditure on 5 social sector schemes is only 0.40% of the GDP*.



Figure 8 Budget allocation on five social schemes as a percentage of the GDP



*Source: <https://twitter.com/roadscholarz/status/1753006844497334626/photo/1>



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