

## Analysis of Casual Labour in Rajasthan vis-à-vis India

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### ABSTRACT

Casual labour includes the labour of workers whose normal employment consists of a series of short-term jobs. Casual labour is mainly hired by the hour or day or for the performance of specific tasks. This paper presents the comparative analysis of labour ratio and casual labour using secondary data for various NSSO surveys and Periodic Labour Force Survey reports issued by the Government of India. Findings of this study showed that unemployment rate in the rural sector was lower than urban sector for all the gender categories and the low value of LFPR and WPR in both Rajasthan and India which is a concern for the overall development of the economy. The proportion of casual labour was higher in the rural area than an urban area in both national and state-level, which indicates the low level of social security in the rural sector. Rajasthan has higher female earnings than the national level in all four seasons of work. Results also showed that in season April-June, the earnings of the casual labours are higher in all categories due to higher availability of work in that season. Due to excessive rains, the earnings in July-September season were less compared to other seasons. Results of this study showed that average earnings in the rural sector in public works like MGNREGA and others are higher in national level compared to Rajasthan. Average hour work in a week for casual labour in all four seasons was higher in Rajasthan than the national level, which shows labour intensive work condition in the state.

### Highlights

- ① This study presents a comparative analysis of casual labour condition in Rajasthan and India based on various NSSO rounds and Periodic Labour Force Survey conducted by Government of India.
- ② Low value of LFPR and WPR in both Rajasthan and India which is a concern for the overall development of the economy.

**Keywords:** Labour force, Casual labour, Labour Ratio

Nowadays in India cannot be likely without the unorganised labour carrying out odd daily jobs for the domestic. The unorganised sector worker is an essential part of the domestic, and an important one, that it is hard to carry out everyday trial without them. They work all days, every day, but we would never find the mention of the labour who maintains our daily undefined work and function. The unorganised sector shows cycles of excessive seasonality of employment and the existence of disguised employment. The majority of the unorganised workers is unstable and does

not have durable sources of employment. The workplace is fragmented and scattered. Workers in the unorganised sector are usually involved in a lot of taboos and social customs like excessive spending on ceremonial festivities, child marriage, etc. which lead to indebtedness and bondage.

The unorganised sector employs 83 per cent of

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the workforce in terms of employment share. There are 92.4 per cent informal workers (with no written contract, paid leave and other benefits) in the economy. A majority of 71.2 per cent of workers were not eligible for social security benefits, thus indicating vast informalisation of employment in the country. The sector-wise analysis reveals that the percentage of persons availing social security benefits in urban areas (32.4 per cent) was double as compared to that in rural areas (16 per cent). At the all India level, 74 per cent of female workers were estimated to be not eligible for social security. The contribution in the unorganised sector is highest in agriculture which is followed by trade, construction, real estate, professional services etc. and other services. In India, 68.4 per cent of the workers in the non-agriculture sector were engaged in the informal sector. The share of the informal sector among male workers was 71.5 per cent and among female workers was nearly 54.1 per cent in non-agriculture. (Source: Government of India, Labour Bureau of India, Employment and Unemployment Scheme, 2015-16)

The casual labour market is a part of the unorganised sector. Casual labour includes the labour of workers whose normal employment consists of a series of short-term jobs. Casual labour is usually hired based on an hour or day or for the performance of specific tasks. According to the Labour Bureau of India, 92.5 per cent of casual labour does not have any written job agreement, and the probability of getting a daily job in the casual labour market is also very less. Based on the principal status approach, in India 34.9 per cent of workers are casual workers and about 93 per cent of casual labour do not have any written job contract (Government of India, Labour Bureau of India, Employment and Unemployment Scheme, 2015-16).

The share of rural households with a source of income from casual labour during 2018-19 was 25.1 per cent, and in urban areas, it was nearly about 11.0 per cent. At the All India level, 95.3 per cent of the casual workers do not have a written job contract. 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. (Source: PLFS, 2018-19)

In the agriculture sector, casual labourers fill the need for additional labour at the peak periods of

farm operations such as the time of transplanting paddy, planting sugarcane, harvesting of crops, weeding paddy etc. In the manufacturing sector, most of the factories employ skilled labourers or white-collar labourers. Intermediate goods that need the application of unskilled menial or even semi-skilled labour are often entrusted to contractors who work for the factory. These contractors employ casual labourers at the jobs. In construction, transport, commerce and other service sectors also a large number of casual workers are employed.

We know from our day-to-day observation that a casual worker spends just enough to keep his own and his family members' bodies and souls together. Workers in the organised sector are more or less compensated by a regular increase in their wages/salaries on account of the changing rates of dearness allowances. However, casual workers depend solely on market forces. They belong to no labour union that fights for them, and the Government updates their (statutory) minimum wages at a very long interval of five years or so. Whether the statutory minimum wages are observed by the employers or not is a serious concern of none. Hence, casual workers' real wages suffer inflationary pressure. That is why it is necessary to study the functioning of the casual labour market in order to know the income and employment pattern of casual labour.

## METHODOLOGY

This study is mainly based on the secondary data collected from various rounds of National Sample Survey Organization (NSSO) publications and Periodic labour force Survey. In the various surveys labour force, related parameters can be estimated by using both longer reference period of 365 days and current or shorter reference periods.

### Concepts & Measurement of Labour Force Concepts of Labour Force

**Unemployment Rate:** Unemployment Rate (UR) is defined as the number of a person unemployed per 1000 persons in the labour force (employed & unemployed).

$UR = \text{no. of unemployed persons} \times 1000 / \text{labour force}$

**Labour Force Participation Rate:** Labour Force Participation Rate (LFPR) shows the number of persons in the labour force per 1000 persons.

$LFPR = \text{no. of employed} + \text{no. of unemployed persons} \times 1000 / \text{Total population}$

**Worker Population Ratio:** Worker Population Ratio (WPR) is defined as the number of persons employed per 1000 persons.

$WPR = \text{no. of employed persons} \times 1000 / \text{Total population}$

**Proportion Unemployed:** Proportion Unemployed (PU) is defined as the number of persons unemployed per 1000 persons.

$PU = \text{no. of unemployed persons} \times 1000 / \text{Total population ages 15 and above}$

In Periodic Labour Force Survey wage earnings by casual labour is recorded for each of the day of the reference week (last seven days preceding the date of the survey) when the household member had worked as casual labour.

## RESULTS AND DISCUSSION

The Unemployment Rate was 5.8 per cent at the all India level or in other words about 5.8 per cent of the persons who were available for work during the reference period of 2018-19 could not get work and remain unemployed, which is 5.7 per cent in Rajasthan. In both Rajasthan and India, rural sector unemployment rate was lower than the urban sector for all the gender categories. In Rajasthan, the rural sector unemployment rate was 4.6 per cent which is lesser than the national unemployment

rate in the year 2018-19. In Rajasthan, urban sector unemployment (9.5) was higher than the national unemployment rate (7.6). In Rajasthan, the female unemployment rate was higher in the urban sector, and lesser in the rural sector compare to the national unemployment rate. The unemployment rate of the overall labour force was increased in Rajasthan from the past year, whereas on national level unemployment rate decreases.

The labour force participation rate shows the percentage of all people of working age who are employed or are actively seeking work. Table 2 reveals the LFPR ration for labour participation in the workforce. At the All India level, the Labour Force Participation Rate (LFPR) based on Usual Principal Status approach was estimated at 50.2 per cent or 502 persons out of 1000 persons aged 15 years & above are part of the labour force, which is 53 per cent in Rajasthan. Results also show that Rajasthan has more labour force participation in rural sector compare to urban population and national rural labour participation. While analysing the sector-wise LFPR estimates, it may be seen from the table that in the rural sector the LFPR was higher than the urban sector in both Rajasthan and India. The low female participation rate may be one of the reasons for lower LFPR in urban areas. The low LFPR is a concern for the economy of both Rajasthan and India. The gender-wise estimates showed that 75.5 per cent of the males, 24.7 per

**Table 1:** The unemployment rate in Rajasthan and India (15 years and above)

Sl. No.	Particulars	Rajasthan						India					
		2017-18			2018-19			2017-18			2018-19		
		M	F	T	M	F	T	M	F	T	M	F	T
1	Rural	5.6	1.2	4.4	5.9	2.0	4.6	5.7	3.8	5.3	5.5	3.5	5.0
2	Urban	6.7	9.9	7.2	8.5	14.2	9.5	6.9	10.8	7.7	7.0	9.8	7.6
3	Total	5.9	2.3	5.0	6.6	3.7	5.7	6.1	5.6	6.0	6.0	5.1	5.8

**Source:** The Periodic Labour Force Survey (PLFS); M for Male, F for Female, T for Overall.

**Table 2:** Labour Force Participation Ratio in Rajasthan and India (15 years and above)

Sl. No.		Rajasthan						India					
		2017-18			2018-19			2017-18			2018-19		
		M	F	T	M	F	T	M	F	T	M	F	T
1	Rural	73.9	30.8	52.6	74.8	36.6	55.8	76.4	24.6	50.7	76.4	26.4	51.5
2	Urban	72.2	14.5	44.8	73.5	16.2	45.4	74.5	20.4	47.6	73.7	20.4	47.5
3	Total	73.5	27.0	50.7	74.5	31.4	53.0	75.8	23.3	49.8	75.5	24.5	50.2

**Source:** The Periodic Labour Force Survey (PLFS), 2018-19; M for Male, F for Female, T for Rural + Urban.

cent of the females and in Rajasthan, 74.5 per cent of male and 31.4 per cent of female aged 15 years and above were either working or looking/available for work. In all India level total LFPR is increased from 49.8 to 50.2 and 50.7 to 53 in Rajasthan, which is higher than all India level.

In Table 3, WPR based on the different approaches, as estimated from PLFS 2017-18 and 2018-19, are presented at the Rajasthan and all-India level. The WPR signifies the proportion of workers or employed persons in the total population for the specific age group of 15 years and above. The Worker Population Ratio (WPR) was about 47.3 per cent at the all-India level. It was about 48.9 per cent in rural areas and 43.9 per cent in urban areas. In Rajasthan, WPR (50.0) was higher than the national level WPR (47.3). WPR of rural females (35.9) was higher than urban females in both the state level and national level, which shows the higher number of working females in a rural area than an urban area. The male WPR in both Rajasthan and India was higher than female WPR. Increasing WPR for women is vital to achieving high growth of employment and overall economic growth. The Government is trying to resolve this problem of low female WPR and LFPR by implementing various programmes/schemes where the emphasis is on female participation like Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

The proportion of casual labour among workers in India in the total workforce was about 28.3 per cent among rural males, 29.3 per cent among rural females, 14.2 per cent among urban males and 10.7 per cent among urban females. In Rajasthan, it was about 18.0 per cent among rural males, 9.3 per cent among rural females, 10.3 per cent among urban males and 5.0 per cent among urban females, which is very lower than the national level. The proportion of casual labour in India and Rajasthan were decreasing from 2017-18 to 2018-19 period, which is beneficial for the betterment of the labour force in India. The proportion of casual labour was greater in the rural area than the urban area in both national and state level in indicates the low level of social security in the rural sector.

On the earnings in the casual labour sector, in rural areas, average wage earnings per day by casual labour engaged in works other than public works ranged between ₹ 277 to ₹ 297 among males and nearly ₹ 170 to ₹ 199 among females. In urban areas, it was between ₹ 342 to ₹ 368 among males and nearly ₹ 205 to ₹ 244 among females during this period. Table 4 showed that Rajasthan has higher female earnings than the national level in all four seasons. Results also showed that in season April-June, the earnings of the casual labours are higher in all categories due to higher availability of work in that season. Due to excessive rains,

**Table 3:** Worker Population Ratio in Rajasthan and India (15 years and above)

Sl. No.		Rajasthan						India					
		2017-18			2018-19			2017-18			2018-19		
		M	F	T	M	F	T	M	F	T	M	F	T
1	Rural	69.7	30.4	50.3	70.4	35.9	53.2	72.0	23.7	48.1	72.2	25.5	48.9
2	Urban	67.4	13.1	41.5	67.3	13.9	41.1	69.3	18.2	43.9	68.6	18.4	43.9
3	Total	69.1	36.3	48.2	69.6	30.2	50.0	71.2	22.0	46.8	71.0	23.3	47.3

Source: The Periodic Labour Force Survey (PLFS), 2018-19; M for Male, F for Female, T for Rural + Urban.

**Table 4:** Percentage distribution of casual workers in usual status by broad status in employment

Sl. No.	Particulars	Rajasthan						India					
		2017-18			2018-19			2017-18			2018-19		
		M	F	T	M	F	T	M	F	T	M	F	T
1	Rural	19.8	11.3	17.2	18.0	9.3	15.1	28.2	31.8	29.1	28.3	29.3	28.6
2	Urban	10.9	12.8	11.2	10.3	5.0	9.4	15.1	13.1	14.7	14.2	10.7	13.5
3	Total	17.6	11.4	16.9	16.0	8.8	13.8	24.3	27.0	24.9	24.0	24.7	24.1

Source: The Periodic Labour Force Survey (PLFS); M for Male, F for Female, T for Overall (Rural + Urban).

**Table 5:** Average wage earnings per day for other than public work of casual labour in different periods of 2018-19 (in rupees)

Sl. No.	Particulars	Rajasthan			India		
		M	F	T	M	F	T
<b>July- Sep</b>							
1	Rural	296.42	262.89	293.61	276.92	170.10	253.93
2	Urban	295.13	288.67	294.02	342.15	204.73	319.30
3	Total	296.21	270.68	293.68	287.88	174.54	264.38
<b>Oct-Dec</b>							
1	Rural	303.62	250.68	299.32	286.84	185.64	264.63
2	Urban	320.61	291.99	314.85	348.76	226.25	331.24
3	Total	306.63	266.41	302.41	297.86	190.26	275.59
<b>Jan- March</b>							
1	Rural	316.47	233.73	300.44	287.36	190.23	267.42
2	Urban	315.00	278.40	308.73	357.53	220.22	339.15
3	Total	316.23	240.15	301.76	299.08	193.44	278.56
<b>April-June</b>							
1	Rural	298.66	189.85	293.71	297.44	199.24	278.62
2	Urban	323.71	275.31	319.44	367.65	244.15	351.82
3	Total	302.38	212.20	297.69	309.77	204.49	290.70

Source: The Periodic Labour Force Survey (PLFS) 2018-19; M for Male, F for Female, T for Rural + Urban.

**Table 6:** Average wage earnings per day in MGNREGA and other public work for casual labour in different periods of 2018-19 (in rupees)

Sl. No.	Particulars	Rajasthan		India	
		M	F	M	F
1	Rural	134.13	121.43	136.23	154.06
<b>Oct-Dec</b>					
2	Rural	NA	NA	146.54	153.12
<b>Jan- March</b>					
3	Rural	145.74	100	167.74	142.50
<b>April-June</b>					
4	Rural	128.15	NA	135.85	128.97

Source: The Periodic Labour Force Survey (PLFS) 2018-19, M for Male, F for Female, NA for Data not available.

**Table 7:** Average hours worked in a week for casual labour (in hrs)

Sl. No.	Particulars	Rajasthan			India		
		M	F	T	M	F	T
<b>July- Sep</b>							
1	Rural	46.0	41.8	45.4	44.0	38.7	42.7
2	Urban	48.4	47.0	48.1	43.8	40.3	43.2
3	Total	46.4	42.7	45.8	44.0	38.9	42.8
<b>Oct-Dec</b>							
1	Rural	52.2	47.4	51.6	44.1	38.5	42.7
2	Urban	50.7	49.2	50.4	44.3	40.4	43.7
3	Total	51.9	48.0	51.4	44.1	38.7	42.9
<b>Jan- March</b>							
1	Rural	52.9	51.7	45.6	45.1	39.2	43.7
2	Urban	49.9	49.2	49.8	44.6	37.8	43.6
3	Total	52.4	51.5	52.2	45.0	39.0	43.7
<b>April-June</b>							
1	Rural	52.4	44.0	50.4	44.4	38.9	43.1
2	Urban	49.4	45.5	49.1	43.8	39.0	43.1
3	Total	51.9	44.1	50.2	44.3	38.9	43.1

Source: The Periodic Labour Force Survey (PLFS) 2018-19, M for Male, F for Female, T for Rural + Urban

the earnings in July- September season were less compared to other seasons.

The MGNREGA Act enhance the livelihood security of the households in the rural areas of the country and provides at least guaranteed 100 days of employment in every household in a financial year to whose adult members volunteer to do unskilled manual work. Adult means a person who has completed his/ her eighteen years of age. Unskilled manual work means any physical work which any adult person is capable of doing without any special skill/ training. The implementing agency of the MGNREGA scheme may be any Department of the State Government or a Central Government, a Zila Parishad, Panchayat/ Gram Panchayat or any local authority or Government undertaking or non- governmental organisation authorised by the Central Government or the State Government. Results of this study showed that average earnings in the rural sector in public works like MGNREGA and others are higher in national level compare to Rajasthan, which ranges from ₹ 129 to 154 for female and ₹ 135 to ₹ 168 for males at the national level.

Average hour work in a week for casual labour in all four seasons was higher in Rajasthan than the national level, which shows labour intensive work condition in the state. In Rajasthan average working hours for rural male ranges from 46 to 53 hrs, and for urban male, it was 48 to 52 hrs.

### Major Findings

Comparative study of labour force shows that the rural sector unemployment rate was lower than the urban sector for all the gender categories In both Rajasthan and India. Higher LFPR and WPR for women is vital to achieving high growth of employment and overall economic growth. For addressing the issue, the Government is trying to resolve this problem of low female WPR and LFPR

by implementing various programmes/schemes where the emphasis is on female participation like MGNREGA scheme. However, still, The low LFPR and WPR is a concern for the economy of both Rajasthan and India.

The proportion of casual labour was higher in a rural area than the urban area in both national and state-level, which indicates the low level of social security in the rural sector. Rajasthan has higher female earnings than the national level in all four seasons of work.

In season April-June, the earnings of the casual labours are higher in all categories due to higher availability of work in that season. Due to excessive rains, the earnings in July- September season were less compared to other seasons. Results of this study showed that average earnings in the rural sector in public works like MGNREGA and others are higher in national level compared to Rajasthan. Average hour work in a week for casual labour in all four seasons was higher in Rajasthan than the national level, which shows labour intensive work condition in the state.

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