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# The Evolving Discourse on Job Quality From Normative Frameworks to Measurement Indicators: The Indian Example

Sabina Dewan and Divya Prakash

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# **The Evolving Discourse on Job Quality: From Normative Frameworks to Measurement Indicators**

## **The Indian Example**

Sabina Dewan and Divya Prakash  
Just Jobs Network

### **Introduction: The Quantity and Quality Challenge**

Indians are optimistic. According to the Pew Research Center's 2017 Global Attitudes Survey, three out of four Indians believe that, "when children today in India grow up, they will be better off financially than their parents" (Pew Global Attitudes Survey, 2017). Families hinge their hopes on the ability of the next generation to work hard, earn a living, and be a source of financial support. For years now, the nation has done the same, pinning its economic ambitions to a demographic advantage, or *youth bulge*, that is set to continue only for the next two decades. Unless there are pathways to productive and high-quality employment, the nation's youth will not be able to deliver on these expectations.

How has India's economy fared on job creation over the past decade? The country had just under 466 million people in the labour force<sup>1</sup> in 2015, with a participation rate of 50.3 percent (Labour Bureau, 2015/16). An analysis of Labour Bureau data over a period of four years from 2012 to 2015 shows that on average, 4.75 million people were added to the labour force per year. According to the Labour Bureau's Employment-Unemployment survey, between 2012 to 2015, the economy generated a total of 9 million jobs, based on Usual Principal Status -- the activity that an individual is engaged in for a major part of the reference year (Labour Bureau, 2011/12 to 2015/16).

From these data, it appears that India's economy did not create nearly enough jobs to absorb the 4.75 million entering the labour market every year between 2012 and 2015. It is natural then that many draw the conclusion that India's growth, averaging 6.9 percent in the five years between 2012 and 2015, has been "jobless." Yet, the unemployment rate in 2015 stood at a low 3.5 percent, down from 3.8 percent in 2011 (Labour Bureau, 2011/12, 2015/16).

This is because widely used indicators of quantity of jobs – employment and unemployment – do not adequately capture the heterogeneity of developing country labour markets (Dewan & Peek, 2007). According to the measurement of Current Weekly Status, a person that has engaged in an economically gainful activity for at least one hour during the reference week is considered employed. Conversely a person who did not, but who was available and actively seeking such work even if only for an hour during the reference week, is considered to be unemployed. In India, as in other developing countries, many are engaged in some form of economic activity to

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<sup>1</sup> Defining labor force participation rate as the total number of employed and unemployed persons in the country out of the total population above 15 years of age.

eke out a living. Engaging in at least an hour of gainful economic activity during a reference week is commonplace. These individuals are counted as employed even though they are underemployed or are in poor-quality jobs. The unemployment–employment dichotomy is therefore an inappropriate indicator of labour market tightness for India and it says little about the quality of jobs.

92 percent of the employed in India (ILO, July 2017), and 68.5 percent of those in urban, non-agricultural employment, are informal (NSS, 2011/12). Informal work often denotes poor quality characterized by low productivity and low wages, beyond the purview of labour regulations and benefits (Dewan & Peek, 2007). India’s large informal economy conceals underemployment, and discouragement (Dewan, 2018). Discouragement refers to those that give up their search for formal work because they are unable to find opportunities. This renders the relationship between growth and employment tenuous. India is a good illustration of why Arthur Okun’s rule of thumb that a two percent increase in economic output corresponds to a one percent drop in the rate of cyclical unemployment, has been a subject of so much debate.

The issue at hand, then, is not just how many jobs the economy is creating, but also what kind of jobs is it generating. A good job is not just one that meets the requirements of “decent work” today, but one that offers prospects for economic mobility – the ability to improve income and occupation. It harnesses the capabilities of workers, especially youth. The absence of good quality jobs means poor living standards for citizens and a loss of precious productive potential for the economy. Interventions to improve the *State of Working India* need to focus on the quality of employment, not just the quantity.

Looking beyond the quantity of jobs inevitably leads to the question of how to define and measure job quality. For better or worse, international notions of job quality established by multilateral institutions in the aftermath of the first World War have informed attempts to define and measure job quality in developing nations like India. This paper traces the evolution of the discourse on job quality highlighting how globalization, the push for greater labor market flexibility and the drive to create a fairer economic playing field shaped notions of job quality. It then goes on to examine specific indicators used to define job quality first globally, and then in India. To date, a key missing ingredient in all these efforts and discourse has been economic mobility. In an attempt to move the needle on how job quality is understood, this paper ends with an example for how to measure income and intergenerational occupational mobility in the Indian context as a fundamental component of job quality that warrants closer examination.

## **Background: The Evolution of the Discourse on Job Quality**

The internationally recognized normative frameworks for job quality and labor standards were laid out by post-war international institutions, such as the International Labor Organization (ILO), that have their origins in the Global North (ILO, 2018). The initial conceptualization of

job quality was therefore based on the experience of workers in a subset of countries with very different labor markets from those in countries such as India (Sengupta, 1985).<sup>2</sup>

International institutions, tasked with setting universal standards, could not account for the diversity within national labor markets. Nonetheless, in defining their labor market indicators, gathering data, establishing labor regulations, and subscribing to universal standards, most developing countries sought guidance and technical assistance from these international normative frameworks and institutions. This fuelled a disconnect between the data they collected and the realities of their highly segmented labor markets. Unemployment, for instance, became a widely used but poor indicator of labor market tightness for developing countries.

Scholarly work on job quality in the 1960's and 1970's was largely focused on examinations of quality of life indicators, workers' own evaluations of their jobs, and job satisfaction (Burchell et al. 2013). This literature on the quality of work life focused on measuring the worker's experience rather than the nature of the job. Such discourse had limited resonance in the developing world where employment for large parts of the population was more about subsistence than job satisfaction. Literature and labour market data, severely limited in developing countries like India to begin with, did not have much to offer on quality of work life (Trist,1975, Sengupta 1985). To date, to the extent that the literature focusses on the quality over the quantity of jobs, in India it centers on the nature of the job rather than worker satisfaction.

Over the last three decades, three developments shifted the singular focus from the quantity of jobs to also include a more nuanced discussion of the quality of jobs internationally. These developments, discussed in-turn below, are as follows. The first of these debates grew out of the notion, advanced by the Washington Consensus, that labour market flexibility was a pre-condition for economic growth. This contention has now been called into question by the same institutions that initially promoted it (World Bank, 2000). Second was the recognition that globalization and a new division of labour altered working life in a way that warranted a (re)examination of job quality. The third development stemmed from the gradual recognition that as economies became increasingly interconnected, labour market conditions in the developing world – from the cost of labour to working conditions and consumption power – had an impact on other economies. This prompted an examination of how to raise living standards through more and better employment to create a fairer competitive playing field across countries at different levels of development (Samans and Jacoby, 2008).

These developments pushed the discussion beyond deriving inferences based on the experience of labor markets and workers in advanced economies to also account for the nature of developing country labour markets. There is, nonetheless, still a need for delineating more indicators, data and research that accurately captures the heterogeneity of developing country labor markets.

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<sup>2</sup> The Treaty of Versailles that concluded World War 1 also created the ILO. The ILO's Constitution was drafted between January and April, 1919 by a Labour Commission chaired by Samuel Gompers, head of the American Federation of Labour (AFL) in the United States, was composed of representatives from nine countries: Belgium, Cuba, Czechoslovakia, France, Italy, Japan, Poland, the United Kingdom and the United States.

## *The push for labour market flexibility*

A broad social consensus based on five labour rights formed the foundation of the European welfare system in the post-war period (Standing, 1989). These labour rights governed the production process while redistribution was left to fiscal policy and social services provided through a sizable welfare state (Standing, 1989). While even the harshest critics would acknowledge that Europe's welfare state contributed to productivity growth mostly through the provision of education, training and health (Standing 1989), Europe's fortunes changed in the 1970's and 1980s. During this period, technological change, inflationary pressures, and the opening up of economies around the world which brought about a new international division of labour, (Standing, 1989) fuelled high or rising unemployment and slowing economic growth in the region.

In sharp contrast, the United States added approximately 20 million jobs between 1975 and 1984 (Blank and Freeman, 1994). The expansion of jobs in the United States was ascribed to its unregulated and flexible labour market, while Western European countries ascribed their unemployment woes and slow growth to their extensive welfare policies (Blank, 1994). The Thatcher and Reagan era retrenchment reinforced the notion that labour market flexibility was a necessary condition for economic growth (Blanchflower & Freeman, 1994; Laflame et al. (eds) 1989).

This perspective became more entrenched in the 1990s. Propelled by the Washington Consensus, it came to be accepted dogma in developing countries as well. In 2003, the IMF's World Economic Outlook urged countries "to undertake comprehensive structural reforms to reduce 'labour market rigidities' such as generous unemployment insurance schemes; high employment protection...; high firing costs; high minimum wages; non-competitive wage-setting mechanisms; and severe tax distortions" (IMF, 2003, Chapter IV, page 129).

Underpinning the significant reforms in the developing world in the 1990s was the Heckscher-Ohlin principle that any intervention that raises the cost of labour is particularly harmful to developing countries that have a comparative advantage in labour. As developing countries sought to emulate the growth trajectory of developed countries – subject to the pressures from international lending institutions – labour regulations intended to maintain quality came to be seen as rigidities that were bad for employment and bad for growth. That there was a trade-off between the quantity of jobs and economic growth on the one hand, and job quality on the other, become the pervasive perception (ILO, 2004).

In India, this perception continues to manifest in the debate over labour law reform even today. India's dated labour regulations are frequently blamed for restricting firm growth and the concomitant productivity gains that come with economies of scale. As the argument goes, this has restricted the growth of labour-intensive manufacturing in India (Krueger, 2013). Yet as Nagraj (2018) illustrates, the size distribution of factories reported in official data does not reflect the reality on the ground. In 2013/14, two-thirds of factories employing ten or more workers – mid-sized -- that were supposed to be registered, were not. This reflects pervasive and rising evasion of official registration, and under-reporting or mis-representation in administrative data (Nagraj, 2018). As such, Nagraj (2018) contends labour regulations do not, in fact, constrain the

existence of mid-sized factories. Given its large informal economy and that only 17 percent of workers are in regular wage employment (Labour Bureau, 2015/16), in fact, India has quite a flexible labour market.

The push for greater labour market flexibility and a weakening of protective labour regulations therefore evoked a counter-reaction. The basis for the counter-reaction was also that the transformations induced by globalization warranted stronger, rather than weaker, labour regulations to protect workers in the face of change. And that international financial crises called for measures to smooth consumption during downturns to avoid contagion.

### *Globalization and the restructuring of economic activity*

The 1990s, and subsequent years, marked a period of unprecedented economic change. Globalization, characterized by a push to deregulate and open economies, allowed greater flows of capital, goods, services and people across international borders. The fragmentation and decentralization of production gave rise to elaborate global value chains (Gereffi, 1994). More developing and emerging economies vied for a share of the production process, especially in low-end manufacturing such as apparel, to boost their economies and create jobs. Technology, cheaper transport and urbanization gained greater momentum.

This led to a restructuring of economic activity that had a profound impact on the way people live and work. It set the stage for a reassessment of how these transformations altered labour markets and the number and nature of jobs. Whether one viewed globalization as a positive or negative, job quality became an integral part of the economic discourse as well as the political discourse. From the Tunisian vegetable vendor, Mohamed Bouazizi, who set-off the Arab Spring, to Occupy Wall Street and the subsequent populist waves sweeping the globe, the quantity and quality of jobs claimed center stage.

In a clear reassessment of its former stance, even the IMF recommended strengthening safety nets in emerging and developing economies through a combination of social spending on social goods such as education, health and pensions, and well-designed labour market institutions that provide unemployment benefits, minimum wages and appropriate forms of job protection (Duval and Loungani, 2017).

### *The desire for a fairer competitive playing field*

Against this backdrop of the push for deregulation and globalization, developing countries sought to capture their share of global production processes. In many developing countries, the quest to be competitive on the global stage exerted downward pressure on wages and working conditions. Cheaper labour spurred low-value added manufacturing and exports that posed a competitive disadvantage for developed nations. This prompted a debate on the need to improve the quality of jobs and wages in the developing world to create a virtuous circle of rising living standards in the Global South and new markets for products and services from the Global North (Samans and Jacoby, 2007).

The resistance to labour market deregulation; the need to understand how the restructuring of economic activity as a result of globalization would affect workers; and the desire to create a fairer competitive playing field, fuelled the drive to define and measure job quality.

## **Definitions of Job Quality**

### *The International Normative Framework*

The International Labour Organization's (ILO) *Declaration on Fundamental Principles and Rights at Work (Declaration)*, adopted in 1998, provided one of the first international rights-based conceptualization of the quality of work. The Declaration commits ILO member states to respect and promote principles and rights in four categories: (i) freedom of association and the effective recognition of the right to collective bargaining, (ii) the elimination of forced or compulsory labour, (iii) the abolition of child labour and (iv) the elimination of discrimination in respect of employment and occupation. Member states commit to these principles irrespective of whether they have ratified the relevant fundamental ILO Conventions. While the Declaration outlines principles, it does not, specifically define the parameters of job quality itself.

In 1999, the ILO presented its concept of Decent Work, which it described as “opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity”. The ILO launched its Decent Work campaign against the backdrop of globalization, calls for greater labour market flexibility, and unprecedented economic transformation in developed and developing countries.

The purpose of this agenda was to codify the notion of a good quality job. Its tenets are intended to apply to developed and developing countries. However vague and all-encompassing, the Decent Work agenda is still the most widely recognized framework for defining job quality. Its four pillars are:

- Access to full and productive employment: Jobs with adequate earnings for all men and women, including youth and persons with disabilities.
- Rights at work: Equal opportunity and treatment for all women and men in a safe working environment. It calls for decent working hours allowing for a balance between work, family, and personal life.
- Social Protection: A joint publication by the ILO and the International Social Security Association defines social protection as consisting of “...all income transfers (or benefits) in kind and in cash that a society affords to its individual members in order to avoid or alleviate poverty; assist them in coping with a series of life contingencies or risks such as unemployment or illness which, if they occurred, might otherwise lead to a loss of income; and reduce or correct inequalities created through the primary (pre-transfer) income distribution”(Cichon et al. 2004)
- Social Dialogue, that gives people the freedom to express their concerns, organize and participate in decisions that affect their lives. And to engage in collective bargaining through employers' and workers' representation.

Building off the labour rights framework that formed the basis of the European consensus in the post war period the Declaration and the Decent Work Agenda provide a broad normative framework for job quality.

### *Indicators to Measure Job Quality*

Moving past this broad normative framework, a more concrete definition of decent work called for delineating specific indicators to empirically measure the prevalence of, and progress toward, decent work. Yet the attempts to do so are constrained by two important factors. First, a lack of sufficient labour market data in developing countries that makes this a particularly arduous task. This is certainly true of India. Second, job quality is a layered concept that can vary along different dimensions -- an individual worker's experience, the job itself, regulations, labour markets and macroeconomic conditions in which the job is situated (Burchell et al., 2013). Each of these calls for different data and measurement methodologies.

Over the last several years, attempts have been made to delineate indicators to measure the prevalence of good jobs. Anker et al. (2002), for example, outline eleven groups of indicators, each group describing a specific aspect of decent work (*Annex 3*). Goal # 8 of the Sustainable Development Goals pertains to the need to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. The associated targets and indicators are deliberately broad to account for the lack of labour market data in many developing economies.

The JustJobs Network (JJN) and FAFO devised a JustJobs Index (2014) ranking countries based on their quantity and quality of employment. To balance the need for a comprehensive composite index and the desire to include as many countries as possible, the researchers built two different versions of the index. The first included three dimensions – employment, social security and gender equality – covering 148 countries. Taken together, these three areas offer a picture of the quantity and quality of jobs in different countries around the world. The second version added another dimension – social dialogue – for which reliable data was available in far fewer countries, and therefore this version has 41 countries. *Annex 1* shows the list of indicators for the Global JustJobs Index.

As has been discussed, attempts to assess job quality uniformly across countries at different levels of development is fraught with challenges and does not account for the diversity within national contexts. Building on its previous work on the global JustJobs Index, JIN has devised a State-level index for India. This consists of five dimensions: employment, benefits, informality, income inequality and gender inequality (forthcoming, JIN, 2019). These dimensions and the choice of indicators move beyond the broad international frameworks defining job quality to a more nuanced approach to defining job quality in India. Annex two reflects the indicators used to construct the State-level JustJobs Index for India.

## **The Missing Ingredient – Economic Mobility**

A glaring gap in the way job quality has been conceptualized to date is that it is analysed as a static concept based on data drawn from a single cross section (Baulch and Hoddiott, 1999). A lack of longitudinal data for developing countries, such as India, severely restricts an analysis of any kind of economic mobility. Without a dimension related to economic mobility, definitions and assessments of job quality are incomplete.

In India, for example, the proverbial deck is stacked against those disadvantaged on the basis of caste, religion or gender. A good job is a powerful means by which to improve one's living conditions. Yet, current analyses of job quality tend not to measure improvement. What's more, government policies don't distinguish between temporary or consistent misfortunes because they are based on static welfare indicators (Baulch and Hoddiott, 1999). Examining the extent to which a job affords economic mobility provides valuable insight into which other aspects of job quality help improve well-being over time.

### **Measuring Economic Mobility: An Indian Example**

IHDS – I is a nationally representative survey of 41,554 households conducted in 2004- 2005. In 2011-12, IHDS-II re-interviewed 83 percent of these households, including those that had split (if located within the same village or town) to trace how their lives had changed during this period. This dataset provides a unique opportunity to study whether economic mobility improved over 2005-2012.

Income mobility, using household per capita income, is used as a proxy. Some studies use household consumption, but this study uses household per capita for the following reasons. First, one can assume that changes in income have a direct effect on economic fortunes. Second, examining income over time provides information about fluctuations in earnings, helping to illustrate how working people experience economic volatility. Third, in contrast with other surveys, IHDS places considerable emphasis on collecting reliable income data by examining over fifty different sources of income, including self-employment.<sup>3</sup> The total annual household income is calculated by simple addition of eight broad income categories. Household per capita income has been derived by dividing annual household income by household size. In order to

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<sup>3</sup> The fifty different components are classified under eight broad income types namely income from agriculture minus expenses; net income from all businesses; non-agricultural wage; farm wage; salary position; all government benefits; remittances and property and pensions.

convert income from nominal to real, 2011 prices have been deflated to 2005 prices using a state-wise deflator at the primary sampling unit (PSU) level as provided in IHDS data.

## Empirical Methodology

This paper uses two measures of income mobility as suggested by Fields and Ok (1996, 1999). Fields and Ok argue that the change in person's income alters her/his utility and this has an effect on social welfare as a whole.

The first measure gives non-directional income movement,

$$M_1(x) = \frac{1}{N} \sum_{i=1}^N (x_i^1 - x_i^0) \vee 0$$

Where N is the number of total households and  $x_i^1$  and  $x_i^0$  are the final and initial income of households i, respectively. This measure treats both positive and negative changes in the same manner as total income movement or total income flux. This measure only provides the magnitude of the income mobility and not the direction. The non-directional income mobility will be always positive.

The second measure provides directional income movement so that positive and negative changes over the time are treated differently,

$$M_2(x) = \frac{1}{N} \sum_{i=1}^N (x_i^1 - x_i^0) \log x_i^1$$

The directional income mobility provides both magnitude and direction. The value of this index could be positive or negative. The positive index value shows that the real income has increased over the time and that economic well-being has improved. While the negative index value shows that the real income has decreased over the time and economic well-being has declined. Of the various measures suggested by Fields and Ok (1996, 1999), these two measures have been used because they satisfy the four elementary properties of income movement measures.<sup>4</sup>

Subgroup decomposability is widely used in empirical measurements of inequality and poverty. However, Fields and Ok use it to measure movements in income. The subgroup decomposition analysis implies the decomposition of the entire population into different groups to study the within and between groups changes over time. In this paper, we employed the concept of subgroup decomposability as suggested by Fields and Ok (1999). They argued the aggregate income movement  $M_1(x)$  can be written as the weighted average of the mobility in each subgroup.

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<sup>4</sup> The two properties (scale invariance and symmetry) are satisfied by virtually all mobility measures in use but not all measures satisfy addition two properties, multiplicative path separability, and subgroup decomposability.

$$M_1(x) = \frac{\sum_{i=1}^j \frac{n^j}{n} \frac{1}{n^j} \left[ \log x_i^1 - \log x_i^0 \right]}{\sum_{j=1}^J \frac{1}{n^j}}$$

## Results

### *Income Mobility*

Table 1 reflects the estimates of Fields-Ok non-directional and directional mobility indices. The non-directional income mobility index for India as a whole is 1.165 and directional mobility index is 0.949 over the period 2004-05 to 2011-12. The difference between the indexes is 0.216 which means there are a number of households that have seen their real income decrease. Every State in India has witnessed positive income mobility both in terms of magnitude and direction. Meghalaya and Tamil Nadu have witnessed the highest income mobility, but Tamil Nadu performs better than Meghalaya. In Meghalaya, the proportion of households who experienced a decrease in their real income is higher compared to Tamil Nadu.

The performance of three North-Eastern States Mizoram, Sikkim and Tripura was poorer compared to all other Indian States. Overall income mobility has been positive, but lower in magnitude. Also, the income mobility has been unequal. The proportion of households who experienced a decrease in their real income was high in these States. The State of Goa witnessed positive income mobility but unequal. The reason for the unequal mobility is due to the inter-temporal decline in average household agricultural wages, average household non-agricultural income excluding salaries and wages, and average household government benefits.

*Table 1: Fields-Ok non-directional and directional Indices*

<i>States</i>	<i>Non-directional Mobility</i>	<i>Directional Mobility</i>	<i>Difference<sup>5</sup></i>
Meghalaya	1.568	1.318	0.250
Tamil Nadu	1.405	1.268	0.137
Arunachal Pradesh	1.343	1.220	0.123
Kerala	1.366	1.146	0.220
Jammu & Kashmir	1.280	1.117	0.163

<sup>5</sup> Difference = (non-directional mobility indexes – directional mobility indexes)

Assam	1.308	1.091	0.217
Punjab	1.183	1.090	0.093
Karnataka	1.296	1.077	0.219
Uttarakhand	1.221	1.076	0.146
Odisha	1.168	1.049	0.120
Himachal Pradesh	1.159	1.032	0.127
Madhya Pradesh	1.182	0.985	0.197
Nagaland	1.235	0.960	0.275
Bihar	1.179	0.953	0.225
Haryana	1.191	0.947	0.243
Maharashtra	1.128	0.936	0.192
Rajasthan	1.128	0.934	0.195
Gujarat	1.216	0.910	0.306
Uttar Pradesh	1.104	0.877	0.227
Manipur	1.104	0.876	0.228
Andhra Pradesh	1.158	0.859	0.299
Delhi	1.041	0.855	0.186
West Bengal	1.000	0.807	0.193
Goa	1.232	0.713	0.520
Jharkhand	0.981	0.663	0.318
Chhattisgarh	0.870	0.652	0.218
Mizoram	1.004	0.632	0.372
Sikkim	0.858	0.547	0.310
Tripura	0.821	0.485	0.336

Table 2 provides the estimates of household per capita income mobility across different demographic groups. Among social groups, positive income movement is highest among Other Backward Class (OBC) households followed by Forward Castes, Brahmins, Scheduled Castes (SC) and Scheduled Tribes (ST) – in that order. All seven social/religious groups witnessed a high degree of income volatility, but it has been relatively low for SC, ST and Brahmins compared to the Indian average.

Among religious groups, the highest income volatility was observed among Christians, Sikhs and Jains followed by Hindus and Muslims. All religious groups enjoyed higher income flux, while for Hindus and Muslims the movement has been marginally less than compared to other minority religion. This is because the population size of Hindu and Muslims are much larger than other religious groups. Thus, income volatility is flattened out by the larger population size. The aggregate change in welfare for all religious and social groups during 2005-2012 is positive.

*Table 2: Household Per Capita Income Movement, Total and by Subgroup for all India, 2005-2012*

	<i>Non-directional Mobility</i>	<i>Weights</i>	<i>Decomposition</i>
<i>All India</i>	1.165		
<i>Social/Religious Groups</i>			
Brahmin	1.149	0.05	0.057
Forward High Caste	1.167	0.15	0.175
OBC	1.186	0.36	0.427
SC	1.133	0.23	0.261
ST	1.086	0.08	0.087
Muslim	1.151	0.11	0.127
Christian, Sikh, Jain	1.275	0.02	0.026

### *Intergenerational Occupational Mobility*

The next two tables reflect intergenerational occupational mobility in India using IHDS data for 2004-05 compared to 2011-12. The fathers' occupation is held constant while the share of the children in different occupations is reflected. Occupations have been classified into six groups based on the national classification of occupations-1968.<sup>6</sup> The diagonal terms dominate the off-diagonal terms for both periods. This means that the children are likely to pursue the same occupation as their fathers. For each occupation of the fathers, the share of children remaining in the same occupation is greater than in other occupations. This suggests that children are more likely to follow in their father's footsteps. For some occupations there is upward mobility, while for others there is downward mobility. Upward mobility means that the share of children in skilled or high productive occupations increased between 2004-2005 and 2011-12. Also, upward mobility means the children in the period 2011-12 moved into better occupations compared to their previous occupation in 2004-05.

Among those continuing in the same occupation as their father, the percentage declined for agricultural and other labourers from 62.7 to 58.6 percent, and for farmers from 53.5 to 32.4 percent. This indicates upward mobility but it is small in magnitude. Nonetheless, about two-thirds are employed in low-productivity agricultural jobs. Downward mobility is observed for low-skilled and high-skilled workers. Children of low-skilled workers that are working as professionals declined by 8 percent, while their share in low-skilled occupations increased by same amount. A similar trend holds in the case of the children of high-skilled workers. The trend has remained nearly stagnant for the children of clerical workers as well as some workers in other occupations over this period. For those whose fathers are professional workers, there is upward mobility. The share of the children of professionals that are working as farmers reduced by half, and concomitantly increased in other high-skilled and professional occupations.

<sup>6</sup> The codes of each group are, Agricultural and other labourers – 63-67, 94, 95, 99; Lower skilled – 53-55, 68, 71-78, 80-83, 88-93, 96-98; Higher skilled – 43, 49, 50-52, 56-59, 79, 84-87; Farmers – 60-62; Clerical and other workers – 30-39, 40-42, 44-48 and Professional – 00-29.

*Table 3: Occupational Mobility Matrices, IHDS-I (2004-05)*

Father's occupation/ Child's occupation	Agricultural and other labourers	Lower skilled Occupation s	Higher skilled Occupation s	Farmer s	Clerical and other workers	Professional s
Agricultural and other labourers	62.7	11.3	6.8	7.6	6.0	5.5
Lower skilled Occupations	14.5	41.9	10.2	3.5	13.1	16.7
Higher skilled Occupations	12.0	13.4	31.1	4.8	19	19.9
Farmers	17.1	6.5	7.5	53.5	8.6	6.8
Clerical and other workers	6.0	9.5	14.8	5.5	47.4	16.7
Professionals	10.5	9.7	10.8	12.3	22.2	34.5

*Table 4: Occupational Mobility Matrices, IHDS-II (2011-12)*

Father's occupation/ Child's occupation	Agricultural and other labourers	Lower skilled Occupation s	Higher skilled Occupation s	Farmer s	Clerical and other workers	Professional s
Agricultural and other labourers	58.6	13.6	8.0	5.3	10.1	4.5
Lower skilled Occupations	14.6	50.0	11.3	2.5	12.8	8.8
Higher skilled Occupations	11.5	15.4	42.5	4	15.3	11.3
Farmers	32.2	9.7	7.7	32.4	10.7	7.4
Clerical and other workers	7.4	12.0	14.7	3.8	48.1	14.0
Professionals	8.9	9.0	14.1	6.5	23.9	37.6

Source: Tables adapted from Iversen, V., Krishna, A. and Sen, K., 2017. Rags to riches? Intergenerational occupational mobility in India.

## **Conclusion**

International frameworks and definitions of job quality have provided a necessary impetus to go beyond a focus on the quantity of jobs, but these broad frameworks do not allow for a nuanced understanding of what job quality means in heterogeneous labor markets of developing countries like India. In India, formal unemployment is low, but informality, underemployment and discouragement are endemic. Harnessing the capabilities of the nation's growing youth population is contingent on creating jobs, but also on achieving a marked improvement in the quality of jobs. When human development indicators are low and remain unimproved despite

being employed, job quality is no longer just the result of a subjective assessment, but a hard reality with social and economic consequences.

This paper starts with highlighting the importance of examining job quality in addition to the quantity of jobs in India. It then presents an overview of how the international discourse on job quality has evolved and different attempts to delineate indicators for measuring job quality. The missing ingredient in these efforts has been an examination of economic mobility. As the results of the analysis illustrate, there has been some improvement in income mobility in India, but intergenerational occupational mobility has declined for those who are employed in the low productivity agricultural sector. This simple analysis is intended to spur a discussion on the importance of job quality and on economic mobility as a critical component. Ultimately poor quality jobs inhibit individual well-being and are a loss of precious productive potential the economy.

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## Annex 1

### The JustJobs Index: Indicators to measure the quantity and quality of jobs internationally

<b>Indicator</b>	<b>Definition</b>
<b>1</b> Labour force participation rate, 15-64	The labour force participation rate is defined as the ratio of the labour force to the working-age population (15-64), expressed as a percentage. The labour force is the sum of the number of persons employed and the number of persons unemployed.
<b>2</b> Unemployment rate, 15+	The employment-to-population ratio is defined as the proportion of a country's working-age population that is employed.
<b>3</b> Youth unemployment rate, 15-24	"Youth" covers persons aged 15 to 24 years. The youth unemployment rate indicates youth unemployment as a percentage of the youth labour force.
<b>4</b> GDP per capita expressed on purchasing power parity	GDP PPP (purchasing power parity) is gross domestic product converted to US dollars using purchasing power parity rates. Purchasing power parities (PPPs) are the rates of currency conversion that eliminate the differences in price levels between countries.
<b>5</b> Gini coefficient	The Gini coefficient is defined as the relationship of cumulative shares of the population arranged according to the level of equivalised disposable income, to the cumulative share of the equivalised total disposable income received by them.
<b>6</b> Share of active contributors to a pension scheme in the labour force 15+ (%)	Total number of active contributors (without double counting) to national existing contributory retirement schemes as percentage of total working-age population. Contributors to supplementary benefits received in complement to another basic old-age benefit (i.e. "second-pillar" schemes) are excluded to avoid double counting. Benefits covered are periodic cash retirement benefits. They can be means-tested or non means-tested and provided through contributory, universal or targeted schemes.
<b>7</b> Total public social protection expenditure and health expenditure (% of GDP)	Total public social protection expenditure synthesizes the overall public redistributive effort and is closely correlated with overall coverage. It is a useful indicator for comparative purposes at the national and scheme levels but its interpretation presents inherent difficulties (either in global level, composition and changes over times) in relation to further contextual information (legal framework, economic and social context).

<b>8</b>	Total (public and private) health-care expenditure not financed by private households' out-of-pocket payments (% of total health-care expenditure)	The effective level of financial protection provided to the population by social health protection systems is measured here by a proxy indicator expressed as a percentage of total (public and private) health-care expenditure in the country not financed by private households through out-of-pocket payments. <sup>7</sup> The proxy is more or less equivalent to the percentage of total (public and private) health-care expenditure in the country financed either by general Government or by pre-paid private insurance, by employers or NGOs.
<b>9</b>	Ratio of female to male employment-to-population ratio, 15+	Female employment-to-population ratio (15+) divided by male employment-to-population ratio (15+)
<b>10</b>	Ratio of female to male Labour force participation rate, 15+	Female labour force participation rate (15+) is divided by male labour force participation rate (15+)

## Annex 2

<b>State JustJobs Index for India: Dimensions and Indicators</b>	
Dimensions	Indicators
Employment	Labor force participation rate, 15-64
	Unemployment rate
	Youth unemployment rate, 15-29
Benefits	Share of wage and casual workers who are member of trade union
	Percentage of GSDP expenditure on pension
	Share of wage and employees having PF contribution
Informality	Share of own-account workers and contributing family workers in total employment
	Share of regular workers in total employment
	Share of workers except self-employed with written job

<sup>7</sup> Out-of-pocket spending by private households (OOPs) is the direct outlay of households, including gratuities and payments in kind, made to health practitioners and suppliers of pharmaceuticals, therapeutic appliances and other goods and services, whose primary intent is to contribute to the restoration or to the enhancement of the health status of individuals or population groups. It includes household payments to public services, non-profit institutions and non-governmental organizations. It includes non-reimbursable cost-sharing, deductibles, co-payments and fee-for-service, but excludes payments made by companies that deliver medical and paramedical benefits, whether required by law or not, to their employees. It excludes payments for overseas treatment.

	contract
Income inequality	Ratio of minimum wages to average wages
	Gini Coefficient of consumption inequality
	Ratio of formal to informal wages
Gender inequality	Ratio of female to male employment rates
	Ratio of female to male labor force participation rates
	Ratio of Gender wage gap

### Annex 3

- |                                       |   |
|---------------------------------------|---|
| Employment opportunities              | <ul style="list-style-type: none"> <li>● Labour force participation rate</li> <li>● Employment-population ratio</li> <li>● Unemployment rate</li> <li>● Youth unemployment rate</li> <li>● Time-related underemployment rate</li> <li>● Share of wage employment in non-agricultural employment</li> <li>● Female share of non-agricultural wage employment</li> </ul>  |
| Unacceptable work                     | <ul style="list-style-type: none"> <li>● Children not in school by employment status (percent by age)</li> <li>● Children in wage employment or self-employment activity rate (percent by age)</li> <li>●</li> </ul>  |
| Adequate earnings and productive work | <ul style="list-style-type: none"> <li>● Inadequate pay rate (percent of employed below ½ of median or an absolute minimum, whichever is greater, by status in employment)</li> <li>● Average earnings in selected occupations</li> <li>● Excessive hours of work</li> <li>● Time-related underemployment rate</li> <li>● Employees with recent job training (percent with job training during last 12 months provided or paid for by employer or state)</li> </ul> |
| Decent hours                          | <ul style="list-style-type: none"> <li>● Excessive hours of work (percent of employed, by status in employment)</li> <li>● Time-related underemployment rate (percent of employed population working less than hours threshold, but available and wanting to work additional hours)</li> </ul>  |

Stability and security of work	<ul style="list-style-type: none"> <li>● Tenure less than one year (percent of employed persons who have held their main job/work for less than one year, by age, by status in employment), and</li> <li>● Temporary work (percent of employees who classify their jobs as temporary).</li> <li>● Perceptions of future job security,</li> <li>● Measures of intermittency of employment.</li> </ul>
Combining work and family life	<ul style="list-style-type: none"> <li>● Employment rate for women with children under compulsory school age (ratio to the rate for all women aged 20-49)</li> <li>● Excessive hours of work</li> </ul>
Fair treatment in employment	<ul style="list-style-type: none"> <li>● Occupational segregation by sex, (percent of non-agricultural employment in male-dominated and in female-dominated occupations and index of dissimilarity) Female share of employment in managerial and administrative occupations (ratio to female share of non-agricultural employment)</li> <li>● Share of women in non-agricultural wage employment</li> <li>● Female/male wage or earnings ratio, selected occupations</li> <li>● Female/male ratios or differences for other indicators</li> </ul>
Safe work environment	<ul style="list-style-type: none"> <li>● Fatal injury rate (per 100,000 employees) Labour inspectors (inspectors per 100,000 employees and per 100,000 covered employees)</li> <li>● Occupational injury insurance coverage (percent of employees covered by insurance)</li> <li>● Excessive hours of work</li> </ul>
Social protection	<ul style="list-style-type: none"> <li>● Public social security expenditure (percent of GDP, separately for total, health services, and old-age pensions)</li> <li>● Public expenditure on needs-based cash income support (percent of GDP) Beneficiaries of cash income support (percent of poor)</li> <li>● Share of population over 65 years benefiting from a pension</li> <li>● Share of economically active population contributing to a pension fund</li> <li>● Average monthly pension (percent of median/minimum earnings)</li> <li>● Occupational injury insurance coverage (see entry under Safe Work)</li> </ul>
Social dialogue and workplace relations	<ul style="list-style-type: none"> <li>● Union density rate</li> <li>● Collective wage bargaining coverage rate, and 56 Working Paper No. 2.</li> <li>● Strikes and lockouts (per 1000 employees)</li> <li>● Percent female among union members</li> <li>● Percent female among union leaders</li> </ul>

Economic  
and social  
context

- Output per employed person (PPP level)
- Growth of output per employed person (total and manufacturing),
- Inflation (consumer prices where available),
- Education of adult population (adult literacy rate, adult secondary school graduation rate),
- Composition of employment by economic sector (agriculture, industry, services)
- Income inequality (ratio of top 10 percent to bottom 10 percent, income or consumption),
- Poverty (percent of population subsisting on less than \$1/day or less than \$2/day). Informal economy employment (percent of non-agricultural or urban employment).