



BASE University Working Paper Series: sl.17 /2023

Bitter Convergence: Contemporary Crisis of Labour in Rural West Bengal

Manikantha Nataraj & Soham Bhattacharya

March 2023

Bitter Convergence: Contemporary Crisis of Labour in Rural West Bengal

Abstract

Amidst a rising unemployment crisis in rural India, a pertinent concern has also been raised with respect to the working conditions prevailing in the countryside. Using two nationally representative surveys, between 2011- 2019, the study focuses on a few aspects of rural employment in the country, using the state of West Bengal as an illustration. Characterised by a stunted structural transformation of the rural economy, the conditions of employment in the state reveal two aspects of precarity. First, the predominance of self-employment as a form of employment in both farm and non-farm sectors is diagnosed with a small and petty scale of production. The returns from such petty enterprises are meagre. Second, a constant process of informalisation within the formal jobs in the rural non-farm sector have deepened the vulnerability of the workforce. These two crises together indicate a fatal process of convergence, where earnings from both, self-employment and salaried jobs, are eventually converging with the lowly paid rural casual wage work. This process of convergence of earnings is intimately related to the larger processes of immiserisation, and liquidation of entitlements of workers in the current neoliberal regime.

Keywords: Employment; Rural Labour; Working Condition; West Bengal.

JEL Classification: HD5723, HD1537

Bitter Convergence: Contemporary Crisis of Labour in Rural West Bengal

Manikantha Natataraj¹ and Soham Bhattacharya²

INTRODUCTION AND MOTIVATION

Amidst the economic slowdown driven by coronavirus pandemic, concerns have been raised regarding the possible threat of job loss and income shrinkages. According to the World Bank, the current global unemployment is a more serious threat than that posed during the financial crisis of 2008. Other global estimates as well suggest that the global economy has lost 59 per cent of full-time jobs. The open unemployment rate has increased by 7.2 per cent, meanwhile 80 per cent of the global informal economy has been severely affected with income loss and reduction in hours of work (World Bank, 2020). The most alarming concern that arises from all these estimates is that these job losses and reduction in earnings will be reflected in a massive demand bottleneck for the entire economy, which then can extend the current economic slowdown even further, beyond the pandemic.

The Indian economy is often characterised by incidence of high inequality, informality and poverty with the majority of the population relying upon the rural sector (Vakulabharanam, 2010; NCEUS, 2008; Kannan and Papola, 2007). Thus, the economy is arguably in a more vulnerable situation than many other countries to tackle this shock created by the pandemic. Considering that India is one of the leading sources of global young labourers, the unemployment crisis of the country will have massive repercussions in the global economy as well. A recent report by the Centre for Monitoring Indian Economy revealed that from April to August, 2020 around 21 million salaried jobs have been lost in India (CMIE, 2020). According to another report by All India Manufacturing Organisation, around 71 per cent of the country's small and medium enterprises have been struggling to pay their employees due to the economic slowdown caused by the pandemic. ILO has also raised concerns that around

¹ Manikantha Nataraj, University of Strathclyde, Glasgow, Scotland.
Email: manikantha.nataraj@strath.ac.uk

² Soham Bhattacharya, Dr B R Ambedkar School of Economics University, Bengaluru, India.
Email: soham@base.ac.in

364 million workers in India are under a possible threat of job loss and income reduction (ILO, 2020).

All these worrisome figures have brought into the forefront a dire situation caused by the unemployment crisis of India. However, this phenomenon of job loss and low-income generation is not a recent concern for the economy. India has been experiencing a persistent unemployment crisis since the 1980s. Although the nature of the crisis started with jobless growth in the organised manufacturing sector till 2004-05 (Kannan and Raveendran, 2009) and eventually gave rise to an overall jobless growth till 2011-12 (Mehrotra et al, 2014). The crisis finally emerged to become a 'job-loss' growth phase, which is perhaps a completely new experience in independent India (Abraham, 2017; Kannan and Raveendran, 2019). This recent deterioration of the employment crisis, now exposed fatally by the pandemic, is rather a long-standing crisis whose premise lies beyond the shocks from coronavirus.

Under this background, this article ventures to identify the nature of the rural employment crisis of West Bengal, from 2011 to 2019. Along with an increase of rural unemployment we have identified two specific issues pertaining to the rural workforce in West Bengal. Firstly, almost the entire part of the self-employed workforce can be identified as non-remunerative and barely sustaining in the state. Second, an ongoing process of informalisation of salaried employment has jeopardised the most secured form of jobs as well. These two processes together indicate an unsettling conclusion; that there is a probable process of convergence towards deteriorating working conditions among different types of jobs in rural West Bengal.

The article has been arranged into eight sections. Section two provides a background to the rural economic structure of West Bengal. This section also echoes the relation between the stunted structural transformation and the recent crisis of labourers in the state. Section three briefly describes the data and methodology used in this article. Section four elaborates on the extent of job-losses and the prevalence of self-employment within the rural workforce. Section five emphasises on the nature of precarity that exists within self-employment in the rural production systems. Section six traced and identified the process of informalisation within the formal jobs in the rural region. In Section seven, we engage with an empirical exercise to establish a process of convergence in earnings among self-employed, salaried and casual works in rural West Bengal. Finally, section eight provides some concluding remarks from the study.

BACKGROUND

West Bengal, presents us with a unique case to understand the crises associated within the rural labour market in India. Historically, the State's economic as well as demographic composition have long remained rural, with a relatively slow rate of urbanisation. The latest Census of 2011, shows that 68 per cent of the total population of the state still resides in the rural areas. The rural, also remained closely associated with agriculture for a considerable amount of time in the past. Currently the state's agriculture sector contributes only 15 per cent of the state domestic product (Biswas, 2020), however, there is still a significant section of the working population, 47 per cent, who are engaged in agriculture and allied activities in the state (PLFS, 2018-19).

There are three crucial phases of economic growth, with which the state's development trajectory can be understood. The low growth phase during the early 1960s, followed by a balanced or moderate growth phase during the 1980s, and a high growth phase of the early 2000 (Biswas, 2020, *ibid*). Arguably, the moderate growth phase can be identified with the agrarian reforms in the rural sector of the state (specifically, *Operation Barga* and *Panchayat Reforms* during the late 1970s and early 1980s). The reform measures raised agricultural productivity and subsequently safe-guarded a large section of the small peasantry (Saha and Swaminathan, 1994; Bhaumik, 1993). An expected transition of the rural economy, however, was not realised in the subsequent period. The structural transformation path was unconventional largely owing to the neoliberal reforms of 1991. Theoretically, a 'Lewisian' or a 'Kuznets-Kaldor' structural transformation is broadly characterised by a shift in employment and production from primary to manufacturing sector, and subsequently to the service sector. The peculiarity in India arose, since the manufacturing industry during the post 1991 period, failed to absorb the surplus labourers who were otherwise released, or remained unemployed in disguise within the rural primary sector.

The neoliberal reforms of 1991 had a paralyzing impact on the small and marginal manufacturing units in the State, particularly relevant for the rural and suburban towns (Bagchi, 1998; Chandrasekhar and Ghosh, 2002). A concurrent development is also reflected in the increasing size of a large informal economy, both in terms of value added and employment, in the state. The rural informal sector is heterogeneous. Within the informal sector, there is an existing hierarchy of jobs which is often expressed in terms of the level of income earned as well as in the extent of job security (Fields, 2019).

Therefore, when we observed a spurt of growth during the 2000s in the state, it was led by capital intensive manufacturing units or low labour absorbing services that are linked with transport and retail (Das, 2011). The rural economy of West Bengal, during the late 2000s, can therefore be characterised by two certain concerns. First, there was a significant section of small and marginal peasants in the state who faced the burdens of ‘diseconomies’ introduced by the neoliberal reforms. Second, a phase of high growth which was rather sustained by low labour absorbing sectors within manufacturing and services.

A critical question of rural transition appeared in a rather decisive manner during the last decade, when the state government attempted to convert agricultural land in order to provide required infrastructure for a car manufacturing company in Singur 2007³. This attempt was faced with severe resistance, which resulted in a new political regime in the state. Yet the issues of the preponderance of small farm size in agriculture and a low labour absorbing capacity of the growing economic sectors, remain critical even today.

In this regard, West Bengal, provides us with a unique opportunity to concretely reflect on the issues associated with rural labourers, while exploring the dynamics of the atypical structural transformation.

DATA AND METHODOLOGY

This analysis is restricted to the period of 2011-12 to 2018-19. We have used the National Sample Survey Office’s (NSSO) quinquennial survey on Employment and Unemployment (EUS), conducted during 2011-12 as part of their 68th Round. The quinquennial surveys were discontinued after 2011-12, and the latest labour statistics is used from Periodic Labour Force Survey (PLFS) of 2018-19 conducted by the Ministry of Statistics and Programme Implementation (MOSPI). PLFS, although differs in the sample design from the earlier NSSO-EUS survey, however the population estimates are comparable at aggregate level. We have also used the Agriculture Census of 2015-16, and the Unincorporated Enterprise Survey, conducted by the NSSO, during 2015-16, as part of their 73rd round. These two sources are

³ For a detailed timeline of this protest and subsequent developments on this issue, See <https://www.thehindu.com/news/national/other-states/Singur-land-acquisition-issue-A-timeline/article14599981.ece>

used to comment on the nature of enterprises, farm and non-farm respectively, in rural West Bengal.

The sections on the crisis of unemployment and a nature of self-employment, and the section on the crisis of salaried jobs used cross tabulation of estimates derived from the aforementioned secondary data (Section four to Section six). The subsequent section on the convergence of returns from different types of work is established using a regression model, specifically an ANCOVA model. We have provided the detailed method of the model, and results in Section seven.

INCREASING UNEMPLOYMENT AND PREVAILING SELF-EMPLOYMENT IN CONTEMPORARY RURAL WEST BENGAL

The previous decade has been identified as a period of moderate to a high growth of national product in India. While at the same time there has been an astounding increase in the rate of open unemployment in the country. All sources of labour statistics in contemporary India, resonate a common concern, an increasing trend in the rate of unemployment (Basole, 2019). The rural unemployment rate has increased to six per cent in recent times (PLFS, 2018-19).

West Bengal, the subject of interest in this study, also shows an increasing trend in the rate of unemployment. We observe, during 2011-19, for the rural sector of the state, the rate of unemployment has increased from 2.5 per cent to 3.6 per cent for the working-age population between 15 to 59 years of age (See Table 1). Although West Bengal's unemployment rate is quite lower than the unemployment rate in the rural sector of the country, it still remains an utmost concern. In absolute terms, the decline in the worker population ratio and an increased unemployment rate translates into a total of 8.3 lakhs unemployed working-age persons in the rural areas of the state. While around 40 per cent of the working age persons in rural West Bengal are not even in the labour force.

Table 1. Changes in Unemployment Rate and Worker Population Ratio, in per cent, under UPSS, for age 15-59 Years, in Rural West Bengal and Rural India, 2011-19

	2011-12		2018-19	
	West Bengal	India	West Bengal	India
Unemployment Rate	2.5	1.8	3.6	6.2
Worker Population Ratio	57.6	53.8	53.4	50.2

Source: Author's calculation from NSSO EUS 2011-12 and PLFS 2018-19. Note: UPSS refers to Usual Principal and Subsidiary Status of employment, meaning the worker has participated in economic activities for at least one month.

The second concern, that is also typical to rural India, and equally applicable to rural West Bengal, is a declining labour force participation among the female working-age population. There are two major proponents explaining such a decline. The first explanation has been that of social mobility of households and the following quest to acquire higher social status, with rising household incomes that has led to women 'withdrawing' from the workforce (Eswaran et al, 2011; Abraham, 2013). Two posited effects have been attributed to explain the decline – 'income effect' and 'education effect'. The literature highlights the patriarchal and caste norms that restricted women to 'withdraw' from paid work and bind them to domestic and own-farm activities as household incomes rise. The education effect has been observed through an increase in girls enrolling in secondary and senior secondary education, and the fall in female LFPR has been attributed to an increase in female secondary education (Rangarajan et al, 2011)

Table 2. Changes in Labour Force Participation Rate and Share of Persons attending Education and Not in Labour force, in per cent, for Age 15-59, 2011-19, in Rural West Bengal

Year	2011-12		2018-19	
	Male	Female	Male	Female
Labour Force Participation Rate	88	28.5	87.2	22.2
Not in Labour Force for attending Education	84.8	12.2	80.6	12.9

Source: Author's calculation from NSSO EUS 2011-12 and PLFS 2018-19.

We observe, in Table 2, the share of the female working-age population who are not in the labour force because of pursuing education, have remained at 13 per cent, while the labour force participation rate has declined by six per cent points.

We opine, the said decline, is rather better understood when seen from the lens of what Kannan and Raveendran (2012) termed as the 'discouraged worker' effect. Arguably, the crisis of unemployment and a lowered labour force participation rate, could be better explained by the demand shortages within the rural economy. In rural West Bengal, these symptoms are rather a marker of the low labour absorbing capacity of rural capital.⁴

Agriculture, with a lagging public investment since the neoliberal reforms, could neither create the necessary surplus required for the industrial growth, nor create enough purchasing power within the rural economy to generate demand for industrial goods (Sengupta et al, 2008; Mazumdar, 2009). This has led to two enduring characteristics of employment in the rural areas of the state, viz., its reliance on the primary sector and dependence on self-employed activities.

Table 3. Changes in Activity Status in Rural West Bengal, between Ages 15-59 years, in per cent, during 2011-19

Activity Status	2011-12	2018-19
Own Account Worker	39.0	39.5
Employer	0.5	0.4

⁴ From the 2011 Census, we observe that a significant number of rural migrants have moved out of the state due to work and business-related activities. Although this might reflect a lack of labour absorptive capacity in the rural setting, however, we restrict our analysis to the residing rural workforce in the state.

Unpaid Helper	17.3	18.8
Regular/Salaried	10.5	15.0
Public Casual	1.3	2.0
Private Casual	31.4	24.4
Total	100	100

Source: Author's calculation from NSSO EUS 68th Round and PLFS 2018-19.

Self-employment, a culmination of own account workers, employers and unpaid helpers, collectively represent 58 per cent of the total rural workforce in rural West Bengal (See Table 3). The share of self-employment activities in the total employment has increased by 3 per cent in the last decade or so. Majority of this increase can be explained by a rising share of unpaid family workers, within the rural self-employed.

CRISIS OF SMALL ECONOMIC SIZE: SELF-EMPLOYMENT IN RURAL WEST BENGAL

Economic size of enterprises often reflects the scale of production, the nature of organisation associated with production, as well as the capacity of surplus accumulation of an economy. The advent of economic liberalisation of the 1990s, have made the agricultural activities non-profitable by increasing the cost of production and reducing the selling price of products (Rawal and Swaminathan 2011; Dev, 2012; Bhattacharyya et al, 2013). These changes made livelihoods, which are solely dependent on agriculture, less viable, meanwhile gradually shifting the workforce from farm to non-farm activities (Mehrotra et al, 2012).

However, agriculture is still the source of earnings for a significant section (47 per cent) of the rural population in West Bengal. A crucial feature of the farm sector in the state is marked with the prevalence of small and marginal farm size. Table 4 shows that 96 per cent of the total operational holdings and 81 per cent of total operated area are cultivated by small and marginal farmers.

Table 4. Distribution of Operational Holdings and Total Operated Area, by Size Class of Operational Holding, 2015-16, West Bengal

Size Class	Share in Number of Holdings (%)	Share in Total Operated Area (%)
Marginal (<1 ha)	82.8	53.4
Small (1-2 ha)	13.4	28.3
Semi Medium (2-4 ha)	3.5	12.8
Medium (4-10 ha)	0.2	1.5
Large (>10 ha)	0	4

All Class	100	100
-----------	-----	-----

Source: Author's Calculations from Agriculture Census, 2015-16

This predominance of small and marginal land size has made the farmers less likely to have access to crop insurance and other sources of credit, when faced with diminished levels of public investment and government support during the neo-liberal regime (Ramakumar and Chavan, 2014). Besides, fragmentation of plot size, arguably, makes the usage of heavy machineries difficult, and thus affects the productivity of the farms (Agarwal, 1995). In a recent study conducted in three villages of West Bengal, it was also observed that almost 90 per cent of small farmer households had to complement their exiguous earnings from farming with non-farm activities (Bakshi and Modak, 2017).

The increase in the share of rural non-farm activities in total employment, however, was not due to an increase in the manufacturing activities in the state. The share of total workers in rural manufacturing sector have in fact shown a decline from 19 per cent to 15 per cent. While there has been an increase in the rural construction sector jobs as well as rural services sector jobs. These two sectors together constitute 37 per cent of the total rural workforce in the state. (See Table 5).

Table 5. Distribution of Work-force by Broad Sectors, under UPSS, for Age 15-59 years, Rural West Bengal, 2011-19

Rural Sectors	2011-12	2018-19
Agriculture	52.5	47.4
Mining	0.3	0.4
Manufacturing	19.4	15.1
Water, Electricity and Others	0.1	0.1
Construction	8.9	12.9

Services	18.9	24.1
All Workers	100	100

Source: Author's Calculation from NSSO EUS and PLFS 2018-19.

This phenomenon is in tandem with the unconventional structural transformation, from agriculture to services, experienced in the Indian economy (Rodrick, 2016). A comparatively less discussed issue is that the rising share of non-farm employment is also characterised by a preponderance of small and petty enterprises, engaged in self-employed activities. More than 50 per cent of these homebased workers are engaged in textile, tobacco production and retail trade. Table 6, shows the distribution of self-employed workers within the non-farm sector by the location of the workplace and number of workers associated within the enterprise. We observe, first, majority of the non-farm workers are engaged in home-based activities in rural West Bengal. Second, among these workers from home-based enterprises, 98 per cent are engaged in enterprises with less than six workers. Arguably, a typical characteristic of home-based units is that those are largely run by family members, therefore the size of the enterprise is unsurprising. However, even among the workers whose workplace is located outside home-site, 93 per cent are working in enterprises with less than six workers, including both unpaid family workers and hired workers. Broadly, it can be inferred that small and petty production units are almost universal in rural non-farm activities in the state. Third, most importantly this 'pettiness' of the non-farm activities is found to be persisting in the last decade. According to the unincorporated enterprise survey report of NSSO, the per worker average fixed capital and gross value added for the non-farm enterprises in rural West Bengal is significantly low. These are respectively three times and two times lower than the all India rural average (NSSO, 2017). These figures reflect that self-employment within the rural non-farm sector in West Bengal, is suffering from the sheer lack of economic capacity. There's also a differential that exists between the home-based enterprises and outside-home enterprises. The fixed capital of the home-based units (own account enterprises) is eight times lower than the outside home-site enterprise units (establishment enterprises). Also, the gross value added per worker for the home-site enterprises are four times lower than the outside home-site enterprises. Thus, the home-based enterprises, which represent, more than 50 per cent of the non-farm sector, severely lack the capital endowment required to generate productive and decent employment. *This*, consequently results in an inability to accumulate surplus sufficiently, and also provide decent and remunerative employment opportunities.

Table 6. Size and Location of Self-Employed Workers for Rural Non-Farm Sector, 2011-12 and 2018-19, West Bengal

Year	2011-12			2018-19		
Location of Work	Less than 6 Worker	More than 6	% in Total Non-Farm Workers	Less than 6 Workers	More than 6	% in Total Non-Farm Workers
Home-Site	97.3	1.7	56.8	98.4	1.4	52.2
Outside Home Site	93.4	6	39.2	92.7	5.4	43.9
No Fixed Place	86.3	13	4	98.7	1.3	3.8
All Non-Farm	95.3	3.8	100	95.9	3.3	100

Source: Author's calculation from NSS EUS 2011-12 and NSS PLFS 2018-19

The predominance of self-employment can be seen through a lens of freedom, which enables a worker to decide her own conditions of working. Here, one is self-employed by *choice*, while the choice is explained through better remuneration provided in self-employment than other forms of wage work. Another way of looking at the persistence of self-employment pertains to the low level of labour absorption in other forms of employment, and lack of official entitlements from the government. This later logic reflects a *distress* driven self-employment scenario. Therefore, to evaluate which among these two reasoning explains the persistence of self-employment in rural West Bengal, we looked into the levels of earning and the hours of work to broadly reflect on the quality associated with the work.

Table 7 suggests that the average returns for the home-based workers is much lower than the outside home-site workers. Also, the manufacturing workers realise much lesser returns than the self-employed workers in the service sector. Further, more than 70 per cent of the service sector workers and more than 90 per cent of the manufacturing workers realise a monthly net return less than the minimum wage, equivalent to that of registered unskilled non-farm activities⁵. Another relevant observation is that, 41 per cent of the total rural self-employed workers and 34 per cent of home-based workers work longer hours than even the maximum recommended hours of work for the formal workers.⁶

⁵ A comparison with minimum wage line, although applicable to the formal sector, can provide an idea of the levels of low returns from self-employment in the non-farm sector. The unskilled rural non-agricultural minimum wage line is taken from the ministry of Labour, 2018. See Link: <https://www.capsi.in/notifications/Central%20Minimum%20Wages.pdf>

⁶ This is equal to 48 hours a week, according to section 51 of the Factories Act (1948).

Table 7. The returns from Self-Employment in Non-Farm: A comparison and depiction of hours of work and a comparison with Minimum Wage Line, 2018-19, Rural West Bengal

Enterprise Type	Monthly Real Returns (Rs)	% Below Min Wage
Small- Home Site- Manufacturing	1980	92.4
Self Employed in Manufacturing	2403	87.5
Small-Home Site- Services	3873	71.5
Self Employed in Services	4764	61.3
Self Employed in Non-Farm	3867	70.6
Hours of Work	Self-Employed	Self-Employed (Home-Site)
% of Workers Working extra Hour	41.3	33.6

Source: Author's calculation NSS PLFS 2018-19. Note: Monetary figures are inflation adjusted based on CPI-RW, 2011 base year. Minimum wage of Rs 373 per day, is deflated and multiplied by 30 to represent the monthly corresponding figure.

A striking feature of self-employment is the nature of uneconomic size of the enterprises, which eventually leads to a non-remunerative form of employment in the state. This becomes an important feature of the crisis of labour that we are concerned with. In the current regime, both state and centre, have been formally adopting a policy phase, where self-employment is seen as a modern 'entrepreneurship'. However, the crude reality prevailing in the rural sector of the state reveals that self-employment is at best an unsatisfactory resort to the otherwise distressed situation of employment in the rural sector.

This situation echoes the description of self-employment as put by Jan Breman in the following passage,

“What passes for self-employment is often a disguised form of waged labour that easily boils over in self-exploitation because these workers are willing to exert themselves until the point of exhaustion for the sake of raising their all-too meagre income.... When deprived of assets that can be mortgaged or transformed into cash, these people have no other option than to sell their labour power in advance.” (Breman, 2019, p-44)

Explaining the Persistence of Self Employment in Rural West Bengal

An essential yet less highlighted factor which hinders the self-employed workforce from entering formal sectors lies in the contemporary capitalist mode of production. This is

characterised by the contractual linkages between large and small enterprises. The large enterprises find an enticing opportunity to cut the cost of production by engaging in subcontracting and outsourcing the formal jobs to self-employed activities (Basole et al, 2015; Kesar & Bhattacharya, 2020). According to the unincorporated enterprise survey of 2015-16, home-based, small and marginal enterprises are found to be 14 per cent more contractually obligated than the other enterprises. Once we compare the prevalence of contracts among these enterprises in the manufacturing sector during the last decade, we observe a 14 per cent increase in the incidence, from 52 per cent in 2005-06 to 66 per cent in 2015-16.⁷ Lack of market accessibility and dearth of working capital are two important factors, which enforces the petty scale producers to contractually bind themselves with the local large enterprises and larger global capital in order to survive. This extensive contractual binding has obligated the small and petty enterprises in rural areas to co-exist with the lowly paid self-employment (Starosta, 2010).

There are also other crucial and long-standing factors which explain the persistence of self-employment. Lack of public sector investment in education on one hand, and antipathy from the side of private enterprises to incur the cost of training and skilling through apprenticeship and internship programmes, on the other, can be a major hindrance towards the transition (Ramachandran, 2011). Secondly, the process of acquiring new skills disproportionately reaches males and females in a patriarchal society. This causes a significant number of female members to become a permanent, and often unpaid member of the self-employed workforce (Thomas, 2020). Thirdly, a surge in capital intensive mode of production leads to a diminished capacity to absorb workers in the formal sectors, limiting them as self-employed (Kapoor, 2015; Krishna et al, 2016).

CHANGING STRUCTURES AND INFORMALISATION OF FORMAL JOBS IN RURAL WEST BENGAL

As mentioned previously, two sectors, services and construction, have emerged with significance during the last decade among the rural non-farm activities in the state. An apparent paradoxical scenario arose within the rural non-farm sector during the last decade. In the first decade of the 2000s, casualisation of workforce and an increasing persistence of footloose

⁷ The figure for the year 2005-06 was taken from NSS unorganised manufacturing enterprise survey, 62nd round. This round is the latest comparable round for analysis on contracts before the unincorporated enterprise survey, 2015-16. Since the 62nd round captures only the manufacturing sector, the comparison of number of contracts was possible for manufacturing sectors only.

labour migration have been associated with rural West Bengal (Rogaly et al, 2001). While this pattern of employment can still be observed in the construction sector, where 88 per cent of the total jobs remained casual in nature, during the last decade. However, an increased share of formal jobs is also observable, particularly in the manufacturing and services sector (See Table 8).

Table 8. Changes in Activity Status of Workers, under UPSS, for Age 15-59 years, Rural West Bengal, 2011-19

	2011-12			2018-19		
	Rural Non-Farm Sectors	Self Employed	Salaried	Casual Workers	Self-Employed	Salaried
Manufacturing	67.9	8.4	23.6	58.9	19.4	21.7
Construction	14.3	3.3	82.3	7.7	4.2	88.1
Rural Services	63.3	30.5	6.1	52.7	37	10.3
Total Non-Farm	55.7	16.5	28	42.9	23.8	33.3

Source: Author's Calculation from NSSO EUS and PLFS 2018-19.

Formal jobs are officially registered jobs, which are often characterised as secured jobs with regular and non-daily mode of payment, and the form of earnings are salaries. Table 8 shows 37 per cent workers in the rural services sector and 19 per cent of workers in the rural manufacturing sector have salaried jobs. Since 2011-12, this has increased from 30 per cent and 8 per cent respectively. At least in the first sight, this seems to be an indication towards a transformation within the rural sector. However, we argue that the process of casualization is not absent in the rural non-farm sector. Rather, the process of casualisation is not limited to construction sector, but now has been adapted and internalised within the formal jobs for other sectors within the rural non-farm employment.

As per the ILO identification an informal job can be defined as,

“Employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severances of pay, paid annual or sick leave, etc.)” (ILO, 2003).

In the Indian context, using the recommendation of the National Commission for Enterprises in the Unorganised Sector (NCEUS), one can find three criteria to identify whether a job is organised or otherwise⁸. These three criteria are: 1) the provision of paid leave; 2) the provision of social security benefits (provident funds, gratuity etc.), and 3) if the contract of the job was provided for more than a year. If all these three are provided to any worker, the jobs are then identified as organised. Using these NCEUS criteria we observed a crisis of informalisation of the salaried jobs within the rural non-farm sector, which is severe in the state. During 2018-19, 81 per cent of the total salaried jobs in the non-farm sector are found to be unorganised. More importantly, the sectors where the share of salaried jobs are relatively high within the rural non-farm economy, show a higher prevalence of unorganised nature of salaried jobs. Most of these jobs, 90 per cent in the manufacturing sector and 77 per cent in the services sector, are unorganised in nature. Which means that the provision of labour entitlements within the salaried jobs is glaringly absent (See Table 9)

Table 9. Share of Unorganised/ Informal jobs within Salaried Jobs, under UPSS, for Age 15-59 years, Rural West Bengal, 2011-19

Rural Sectors	2011-12	2018-19	Share of Salaried Jobs in total Jobs
Mining	40.3	0	7.4
Manufacturing	87.5	90.8	19.4
Water, Electricity	35.7	40.2	73.2
Construction	80.5	100	4.2

⁸ We have used the term ‘(in)formal’ and ‘(un)organised’ interchangeably here in this study.

Services	67.8	77.4	37
Total Nonfarm Sector	71.9	81	23.8

Source: Author's Calculation from NSSO EUS and PLFS 2018-19.

The neoliberal reforms in 1991 have made a crucial contribution in the process of liquidating secured jobs in India. The large enterprises appear to be using contract workers. This is primarily, to reduce the cost of production, and secondly, also to reap the benefits from a strategic advantage against unionised workforce by keeping the bargaining power and wage demand of workers in check (Chowdhury and Chakraborty, 2016; Kapoor and Krishnapriya, 2019).

An expected effect of this contractualisation is found in the study of Abraham and Sashikumar (2017). This study suggests that the labourer's share, i.e. wage share in total value-added, have been declining within the formal manufacturing sector in India. The unique feature of West Bengal here lies in the fact that the formal jobs within the services sector also experienced the process of informalisation. Within rural services; educational services and public administrative services which are largely public in nature, have also gone through a process of contractualisation (Mehrotra and Parida, 2019).

Historically, unionised collective action has played a pivotal role to resist the liquidation of worker's right in the workplace. However, the ruling dispensation often employs several tactics to liquidate such collective action. The legislative move to systematically restrict the overall unionisation of workers can be observed since the amendment of the Trade Union Act (2001). The amendment mandates that enterprises with at least 10 per cent of the total workers or 100, whichever is less, are legally permitted to have workers union in workplace. In a state such as West Bengal, where majority of the enterprises are working with less than six workers, the aforementioned amendment fails to recognise the role of collective bargaining in favour of workers.

A recent illustrative example of this crisis can be traced back to the jute workers strike called by the trade unions of the state during March 2019.⁹ The demands of the trade unions were minimum wage of Rs 18,000 per month, pension of Rs 6,000 per month, equal wage for equal work for the contractual and temporary workers etc. The workers also demanded clearance of all dues of the retired workers on account of Employees' State Insurance (ESI). Upon deliberation, the state authorities only agreed to increase a daily wage by Rs. 2 Per capita, and the trade union of the ruling party, aided and abetted such a move. Broadly speaking, the State's role in this neoliberal regime has often perpetrated this process of liquidation of worker's rights. Sood and Nath (2020) in their recent essay on the current regime's labour law deregulation, have pointed out that a process of 'criminalisation of victims' is ongoing in India. The victims, who are labourers here, are literally robbed out of secured jobs, in the name of 'flexibilisation'. Therefore, even though we observe an increased incidence of formal jobs, these jobs have become as deplorable as any other unorganised job.

Exploring the Sources of Informalisation in Formal Jobs

There are two related processes through which this process of informalisation of formal jobs in rural West Bengal could be understood.

First, a major proportion of formal jobs are usually sustained within the public sector. Unfortunately, in the State, by 2018-19 there was a sharp decline in employment in the public sector. During 2011-12, in the rural areas, 37 per cent of all salaried jobs were in state enterprises while in 2018-19, only 30 per cent of the all rural salaried jobs remained in the government sector (See Table 10).

Table 10. Share of Public Sector Jobs within Salaried Jobs, under UPSS, for Age 15-59 years, Rural West Bengal, 2011-19

	2011-12	2018-19
All Persons	36.5	31.9
Male	31.4	27.5

⁹ For a detailed account of the protests, See: <https://www.newsclick.in/25-lakh-jute-mill-workers-go-one-day-strike-west-bengal>

Female	53.6	49.2
--------	------	------

Source: Author's Calculation from NSSO EUS and PLFS 2018-19.

The lack of government jobs and contractualisation of government-aided jobs caused the increased informality in the rural Sector. Second, within the services sector, retail trade and transport might get accounted for and digitised after the Goods and Services Tax (GST) regulation. While the workers are accounted as formal workers, and are also probably paid regularly with non-daily forms (weekly, monthly etc) of wages, however, the accounting doesn't necessarily serve the purpose of recognition of other labour rights which, *inter alia*, comprises social security, job security and rights to form associations. Therefore, West Bengal, which earlier in the 1990s was identified with a strong unionised workforce, unfortunately got trapped within a trajectory of liquidation of labour rights during the last decade.

A structural transformation is therefore by-passed through the creation of vulnerable jobs. At the surface these jobs appear as a formal job, however, have made workers vulnerable when faced with any economic crisis.

CONVERGENCE WITH CASUAL WORK: EARNINGS FROM SALARIED EMPLOYMENT AND SELF EMPLOYMENT

The process of job loss, abridgment of self-employed activities, and informalisation of salaried jobs have made the rural non-farm jobs in West Bengal insecure. Our contention is that eventually with these two crises, the rural salaried and self-employed jobs have become almost as vulnerable as casual work. The nature of rural casual employment is marked by sporadic and seasonal recruitment, irregular hours of work and often being recruited for a certain duration of shifts. These jobs are largely manually operated and lowly paid, often paid on the basis of hours of work or even through piecemeal wages. These features make the casual wage work the most deplorable form of work in terms of job security, income security and worker's rights (Oxfam India, 2019; Breman, 2019).

It can be said with certain conviction that a better-quality job is expected to be more remunerative. It is often realised that workers' earnings are also the medium of wellbeing and standard of livelihood for the entire household. According to PLFS data of 2018-19, for each of the ten earning members of a rural household there are eight non-working members who completely rely on earnings of the working members for their living. In this regard, the strength

of the three types of activity status, i.e. self-employed, salaried, and casual, in providing 'decent' source of living should be evaluated with respect to the entire household. In order to understand and compare this enabling strength of the three types of jobs, we resort to an econometrics exercise.

Construction of Variables: Household Earnings and Occupational Categories

PLFS 2018-19 provides data on earnings for those members of the household who are employed according to the current weekly status (CWS), which has a one-week recall period. The monthly wages for the casual workers are then derived by multiplying the corresponding weekly figures with four. For the salaried workers the reported monthly earnings correspond to the wages and salaries including bonuses. PLFS, unlike the previous surveys, also provides the gross monthly earnings or net revenue accumulated by the self-employed workers. All these monthly earnings are then adjusted for inflation using the consumer price index for rural workers (CPI-RW) with 2011 as the base year. Then we have added the monthly earnings for all the working members of each household to arrive at a figure of monthly earnings at the household level.

Each household is also identified according to the composition of work types i.e. activity status (CWS) for all the working members. First, the households without a single working member according to the CWS, are dropped from the analysis. Then, using the CWS for each household members, we have divided the households into the following seven categories; only self-employed workers, only salaried workers, only self-employed and salaried workers, only casual, only casual and salaried workers, only casual and self-employed workers, and household with mix of all type of workers. Here the primary purpose of this analysis is to compare the level of earnings of self-employed and salaried workers with respect to that of casual workers. This helps us to make the claims regarding the possible process of convergence of the level of earnings among salaried and self-employed workers with casual workers. Hence, we have further divided the households with only casual workers into: only one casual worker, and only casual workers with more than one worker. This gives us the opportunity to capture the difference between the household earnings, when the households with only one casual worker is compared with addition of casual workers vis-à-vis addition of other types of workers. Altogether we have eight categories of households on the basis of the composition of work types (See Table 11, Column 1).

It is fairly obvious that households with more working members will have higher total household earnings. Further, the educational level of the working members will be an important factor in determining the activity status as well as the earnings of the member. For instance, higher education may increase the probability to get engaged in better remunerative jobs (Becker, 1964). Also, a person with higher formal education may have higher reservation wage and will be only encouraged with better remuneration (Bairagya, 2018; Mishra et al, 2018). In a similar vein, age of the working members can also be a crucial factor as it may reflect the experience and maturity of the workers to perform tasks which gives them a better structural bargaining power (Mishel, 1986). On the other hand, older age might reduce their manual working ability and hours of work which is expected to reflect lower returns (Rajan, 2010). Finally, caste identity of a household plays a manifold role in determining the quality of the job with which the workers end up into, particularly in rural India (Thorat & Madheswaran, 2018). In order to incorporate these above-mentioned factors into our analysis, we have used the household size, average years of formal education among the working members, average age of the working members, and social group of the households for rural West Bengal from the PLFS 2018-19 data. Table 11 summarises the descriptive statistics of all the relevant variables used for the regression analysis.

Table 11. Descriptive Statistics of the Variables

HH Type according to Workers Composition	In %	Average HH Earnings (Monthly)	Min HH Earnings (Monthly)	Max HH Earnings (Monthly)	Average Years of Education for Working Members	Average Age of Working Members	Average HH Size
All Categories (Pooled Sample)							
Only One Casual	19.11	5007.926	720	11200	5.23	38.53	3.51
Only Casual (>=2)	5.72	9965.453	1200	33440	4.71	35.99	4.64
Casual + SE	7.92	9811.056	1800	38000	5.78	37.53	4.57
Casual + Salaried	2.49	17191.21	8200	39500	6.25	37.71	4.68
Casual+ SE + Salaried	0.61	10590.77	1050	24000	7.11	38.21	4.58
Only SE	45.40	8544.648	100	58000	7.46	41.53	3.99
Only Salaried	11.02	12434.79	300	95000	9.82	38.39	3.71
Salaried +SE	7.73	15001.94	2000	56500	9.04	39.7	4.72
Total*	100	9082.053	100	95000	7.09	39.72	4.02
SC+ST							
Only One Casual	22.75	4582.106	720	9800	3.89	38.10	3.52
Only Casual (>=2)	9.01	9025.385	1200	21200	3.28	36.09	4.72
Casual + SE	8.26	9209.992	1800	19800	4.36	41.81	4.45
Casual + Salaried	4.74	14677.09	8200	39500	5.87	41.15	4.63
Casual+ SE + Salaried	0.74	10281.55	1050	24000	5.01	37.85	4.37

Only SE	36.40	7785.283	750	30000	5.94	40.58	4.03
Only Salaried	11.51	11397.66	300	58000	8.84	37.88	3.59
Salaried +SE	6.59	17493.58	2000	42000	8.19	41.10	4.78
All Rural SC+ST HH*	100	8518.916	300	58000	6.33	39.43	4.03
OBC							
Only One Casual	15.36	5908.006	1600	11200	4.71	36.70	3.62
Only Casual (>=2)	4.53	9650.563	2700	33440	4.31	39.54	4.73
Casual + SE	10.56	8602.294	3200	28250	5.16	36.69	4.81
Casual + Salaried	1.51	17399.39	13550	28700	7.34	39.15	5.2
Casual+ SE + Salaried	0.69	12343.88	4500	19000	5.24	35.94	4.82
Only SE	48.01	8220.712	400	49820	7.55	42.38	4.11
Only Salaried	10.29	13916.83	1500	43000	10.22	39.48	4
Salaried +SE	9.05	15073.7	4000	37000	8.49	39.12	5.12
All Rural OBC HH*	100	9735.488	400	49820	7.56	39.20	4.23
Other Categories							
Only One Casual	18.20	5009.525	720	11200	4.68	40.24	3.44
Only Casual (>=2)	3.70	10603.35	2400	22400	6.23	30.39	4.43
Casual + SE	6.19	10399.85	2100	38000	5.11	36.25	4.48
Casual + Salaried	1.21	15416.75	8900	23000	7.80	40.90	4.33
Casual+ SE + Salaried	0.45	11139.49	5200	21600	7.26	36.48	5.06
Only SE	51.28	7945.432	100	58000	6.56	43.17	3.9
Only Salaried	11.03	11731.29	800	95000	9.25	38.22	3.66
Salaried +SE	7.93	15735.83	2450	56500	9.85	41.58	4.42
All Rural Other HH*	100	9180.35	100	95000	7.45	40.24	3.9

Source: Author's Calculation from PLFS 2018-19-unit level data. Note: SE stand for Self-Employed;

* With At-least one working member.

Estimation Method: Changes in Levels of Household Earnings

To measure and compare the levels of earning for each category of household, an Analysis of Covariance (ANCOVA) model is taken up. ANCOVA is a general linear model which evaluates the difference between the means of a dependent variable across a set of categorical independent variables, while the effects of the continuous covariates are controlled. By including the covariates, it reduces the error variations and increases the explanatory power of the model (Philippas, 2014; Hidrobo et al, 2016).

The independent variables that are of primary concern are dummies of household types categorised on the basis of its composition of working members. The households with only one casual worker are considered as the baseline category to avoid the dummy variable trap. Hence, we have a total of seven dummy variables, each takes the value one if the household fits the criteria of the composition of working members. Otherwise it takes the value zero. The continuous dependent variable and the covariates are transformed to their corresponding log values. This will ensure that the coefficients of the categorical variables represent the change in per cent of the level of the household income from the baseline households. The coefficient

of the covariates will therefore depict the elasticity. The model specification is given in the following equation.

$$\log(Y) = \alpha_0 + \sum_{i=1}^7 \alpha_i D_i + \beta_1 \log(Age) + \beta_2 \log(Education) + \beta_3 \log(HH\ Size) + \epsilon$$

Here, $\log(Y)$ is the vector of household earnings, D_i is the vector of dummy for the i^{th} category of household type, for all $i = 1(1)7$, $\log(Age)$ is the vector of the log of average age for the working members in each household; $\log(Education)$ is the vector of the log of average years of schooling among working members in each household; and $\log(HH\ Size)$ is the vector of the log of total number of family members in each household. α_0 represents the mean of the log of income for all the baseline households. The coefficients α_i of the categories of households here explain: on an average how much more, a household belonging to a particular category earns, when compared to the level of earnings for the households with only one casual worker. The logarithmic scale allows us to interpret the coefficient as a percentage change. β_1 , β_2 and β_3 represents the age elasticity, elasticity of years of education and elasticity of household size with respect to household earnings respectively. ϵ is the residual error term.

In order to adjust for the effect of social groups, we estimated three separate models with similar specifications, each for the three social groups; SC and STs combined, OBCs, and other social groups. A fourth model is estimated where all the categories of households are pooled together. All the models are adjusted for heteroscedasticity by running a robust regression. Further, the variance inflation factor test showed that the models are freed from any multicollinearity. The model here satisfies the linearity test as well.

Results from ANCOVA analysis: Convergence of Work in Rural West Bengal

Table 12 summarises the result of the ANCOVA analysis.

Our primary findings are: first, the percentage increase in the level of household earnings for the households with more than one casual worker, is higher than the households with only self-employed workers, irrespective of the social group of the household. Further, the households having both casual and self-employed workers are also having a lower rate of increase in income than those with all casual workers (with the exception of SC and ST households). Hence, we can evidently claim that the returns from self-employed activities are lower than those from casual works in rural West Bengal.

Second, for the salaried households, the coefficient denoting the increase in income is almost similar to that of households with all casual workers for the pooled regression. Further, the increase in earnings for households even having both casual and salaried workers, are still not better than those with only casual workers.

Third, when comparing the levels of earning within social groups we find that for households from SC, ST and OBC caste, for the households with only salaried workers show a higher level of change in earning than those with only casual workers. However, for the higher caste (other) households, the phenomenon is reversed, i.e. salaried jobs are less remunerative than casual wage work. A similar pattern emerges for households where both casual and salaried workers are present, when compared with households having only casual workers. A higher level of earnings realised by the higher caste households in casual wage work, when compared to the marginalised groups, suggest a reinstatement of caste privileges in the process of wage bargaining in the rural casual labour market in West Bengal (Das and Dutta, 2007).

Finally, it is only when a household has all the three types of workers, the returns are ubiquitously higher than those with only casual workers. These categories of households with all three types of workers, although represents less than one per cent of total households in rural West Bengal.

Table 12. Results from ANCOVA analysis

Dependent Variable: Log of Household Earnings				
	All Categories	SC+ST	OBC	Others
All Casual	0.531 ^{***} (0.0416)	0.500 ^{***} (0.0594)	0.515 ^{***} (0.0953)	0.668 ^{***} (0.0688)
Casual + Salaried	0.533 ^{***} (0.0600)	0.559 ^{***} (0.0846)	0.578 ^{***} (0.121)	0.548 ^{***} (0.0972)
Casual + SE	0.491 ^{***} (0.0349)	0.544 ^{***} (0.0542)	0.363 ^{***} (0.0650)	0.529 ^{***} (0.0649)
Casual + SE+ Salaried	1.024 ^{***} (0.0893)	1.018 ^{***} (0.176)	1.123 ^{***} (0.138)	0.954 ^{***} (0.0811)
SE + Salaried	0.795 ^{***} (0.0389)	0.824 ^{***} (0.0726)	0.741 ^{***} (0.0758)	0.789 ^{***} (0.0595)
All Salaried	0.548 ^{***} (0.0448)	0.586 ^{***} (0.0817)	0.615 ^{***} (0.0926)	0.478 ^{***} (0.0644)
All SE	0.347 ^{***} (0.0253)	0.373 ^{***} (0.0404)	0.293 ^{***} (0.0532)	0.340 ^{***} (0.0404)
Log Avg Age/HH	0.00337 (0.0421)	0.0349 (0.0729)	-0.0223 (0.0851)	-0.0105 (0.0657)
Log Avg Yrs Education/HH	0.168 ^{***} (0.0143)	0.170 ^{***} (0.0229)	0.111 ^{***} (0.0276)	0.183 ^{***} (0.0247)
Log HH Size	0.441 ^{***}	0.371 ^{***}	0.473 ^{***}	0.468 ^{***}

	(0.0314)	(0.0573)	(0.0647)	(0.0457)
Only One Casual (Constant)	7.634***	7.547***	7.866***	7.642***
	(0.161)	(0.280)	(0.327)	(0.250)
Number of Households	3130	1077	729	1324
Goodness of Fit	0.300	0.312	0.282	0.301
F Test	146.1***	54.88***	33.09***	64.81***

Source: Author's Calculation from PLFS 2018-19-unit level data. Note: Robust standard errors in parentheses, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$, SE stands for Self Employed

Overall, we substantiate with these results that, the returns from self- employed activities is rendering lower returns than the casual activities, and earnings from salaried activities is effectively having no difference in the level of earnings to that of casual activities. This particular phenomenon in rural West Bengal, indicates a bitter convergence of returns from work for the salaried and self-employed activities with the casual wage work.

CONCLUSION

The crisis of employment in rural India is a long-standing phenomenon while the expression of the crisis has changed forms over the time. The imminent issues associated with the idiosyncratic nature of structural transformation, particularly after the neoliberal reforms of 1991, is reflected in the lack of labour absorbing capacity in the rural non-farm sector. As a consequence, a preponderance of self-employed activities in farm and non-farm sectors is observed in rural West Bengal. This self-employment is often diagnosed with a small and petty scale of rural production and accumulation in the state. Coupled with this, a constant process of informalisation of formal jobs in the non-farm sector have also pushed the rural workforce towards vulnerability. A weakened state of working conditions has dispossessed the workers of their rights and entitlements. This deterioration of working conditions, for self-employed and salaried workers, have led to a menacing convergence of earnings with the lowly paid casual wage work. The convergence has blurred the distinction between the decent forms of work to the otherwise less secured forms prevailing in the rural setting. Therefore, when we observe a deepened crisis of job-loss at the time of the recent pandemic, the explanations surpass the effect of the shock. Arguably, a persistent structural crisis inherent to the rural economy can therefore be associated with the on-going impoverishment of the rural working class in India.

REFERENCES

- Abraham, V. (2017) 'Stagnant employment growth: last three years may have been the worst', *Economic and Political Weekly* 52(38): 13-17.
- Abraham, V. (2013) 'Missing Labour or Consistent "De-Feminisation"?', *Economic and Political Weekly* 48(31): 99-108.
- Abraham, V. and S. K. Sasikumar. (2017) 'Declining wage share in India's organized manufacturing sector: Trends, patterns and determinants'. ILO Asia-Pacific Working Paper no 994975392702676. Geneva: International Labour Organization.
- Agarwal, B. (1995) *A Field of One's Own: Gender and Land Rights in South Asia*. Cambridge: Cambridge University Press.
- Bagchi, A.K. (1998) 'Studies on the economy of West Bengal since Independence', *Economic and Political Weekly* 33(47/48): 2973-2978.
- Bairagya, I. (2018) 'Why is unemployment higher among the educated', *Economic & Political Weekly* 53(7): 43-51.
- Bakshi, A. and T.S. Modak. (2017) 'Incomes of Small Farmer Households', in M. Swaminathan and S. Baksi (eds) *How Do Small Farmers Fare? Evidence from Village Studies in India*. pp 126-170. New Delhi: Tulika Books.
- Basole, A. (2019) 'State of working India 2019'. Centre for Sustainable Employment. Bengaluru: APU
- Basole, A., D. Basu and R. Bhattacharya (2015) 'Determinants and impacts of subcontracting: evidence from India's unorganized manufacturing sector' *International Review of Applied Economics* 29(3): 374-402.
- Becker, G. (1964) *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education*. Chicago: University of Press.
- Bhattacharyya, S., M. Abraham and A. D'Costa (2013) 'Political economy of agrarian crisis and slow industrialisation in India', *Social Scientist* 41(11/12): 43-63.
- Bhaumik, S.K. (1993) *Tenancy relations and agrarian development: a study of West Bengal*. New Delhi: Sage Publications.
- Biswas, D. (2020) 'Understanding the Economic Growth of West Bengal: A Multiple Structural Breaks Approach', *Indian Journal of Human Development* 14(1): 62-75.
- Breman, J. (2019) *Capitalism, Inequality and Labour in India*. Cambridge: University Press.
- Centre for Monitoring Indian Economy (2020) 'Unemployment Rate in India'. <https://unemploymentinindia.cmie.com/kommon/bin/sr.php?kall=wshowtab&tabno=0002>

Chandrasekhar, C. P and J.Ghosh (2002) *The market that failed: A decade of neoliberal economic reforms in India*. New Delhi: Leftword.

Chowdhury, S and S. Chakraborty (2016) 'Employment Growth in West Bengal: An Assessment'. Occasional Paper 52. Kolkata: IDSK

Das, M. B. and P. V. Dutta (2007). 'Does caste matter for wages in the Indian labour market?'. http://www.iza.org/conference_files/worldb2008/dutta_p4261.pdf

Das, P. (2011) "Output, employment and productivity growth in Indian manufacturing: A comparative study of West Bengal and Gujarat". LAP LAMBERT Academic Publishing.

Dev, S. M. (2012) 'Small Farmers in India: Challenges and Opportunities'. IGIDR Working Paper 14. Mumbai: Indira Gandhi Institute of Development Research.

Eswaran, M., B. Ramaswami and W.Wadhwa (2011) "Status, Caste, and the Time Allocation of Women in Rural India", Discussion Paper 11-12, New Delhi: Indian Statistical Institute,

Fields, G.S. (2019) *Employment and Development: How Work Can Lead from and Into Poverty*. Oxford: OUP.

Hidrobo, M., A. Peterman and L. Heise (2016) 'The effect of cash, vouchers, and food transfers on intimate partner violence: evidence from a randomized experiment in Northern Ecuador', *American Economic Journal: Applied Economics* 8(3):284–303.

ILO (2003) 'Report of the Conference. Seventeenth International Conference of Labour Statisticians'. <https://www.ilo.org/public/english/standards/relm/gb/docs/gb289/pdf/icls-17.pdf>

ILO (2020) 'Rapid Assessment of the Impact of the COVID-19 Crisis on Employment (India)'. https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-new_delhi/documents/publication/wcms_748095.pdf.

Kannan, K.P and G. Raveendran (2019) 'From jobless to job-loss growth: Gainers and losers in India's employment performance during 2012–2018', *Economic and Political Weekly* 54(44): 38-44.

Kannan, K.P and G. Raveendran (2012) 'Counting and profiling the missing labour force', *Economic and Political Weekly* 47(6): 77-80.

Kannan, K.P and G. Raveendran (2009) 'Growth sans employment: A quarter century of jobless growth in India's organised manufacturing', *Economic and Political weekly* 44(10): 80-91.

Kannan, K.P. and T.S. Papola (2007) 'Workers in the informal sector: Initiatives by India's National Commission for Enterprises in the Unorganized Sector (NCEUS)', *Int'l Lab. Rev* 146.

Kapoor, R & P. P. Krishnapriya (2019). Explaining the contractualisation of India's workforce. ICREIER Working Paper. 369. ICRIER. New Delhi.

Kapoor, R (2015), 'Creating jobs in India's organised manufacturing sector', *The Indian Journal of Labour Economics*, 58(3): 349-375.

Kesar, S and S. Bhattacharya (2020) 'Dualism and structural transformation: The informal manufacturing sector in India.' *The European Journal of Development Research* 32: 560-586.

Krishna, K.L, D.K Das., A.A. Erumban, S. Aggarwal and P.C. Das (2016) Productivity dynamics in India's service sector: an industry-level perspective, CDE Working Paper No. 261, Centre for Development Economics, Delhi School of Economics, New Delhi.

Lewis W.A (1954) 'Economic development with unlimited supplies of labour', *The Manchester School* 22(2): 139-191.

Mazumdar, S (2009) *Liberalization and Industrialisation: Some Aspects of the Indian Experience*. Mimeo.

Mehrotra, S, A Gandhi, P Saha, and B.K. Sahoo (2012) Joblessness and informalization: Challenges to inclusive growth in India. IAMR occasional paper. 9. IAMR. New Delhi.

Mehrotra, S, J Parida, S Sinha, and A. Gandhi (2014) 'Explaining employment trends in the Indian economy: 1993-94 to 2011-12'. *Economic and Political Weekly* 49(32): 49-57.

Mehrotra, S and J, Paridha (2019) 'India's Employment Crisis: Rising Education Levels and Falling Non-agricultural Job Growth' CSE Working Paper. Bangalore. Azim Premji University.

Mishel, L (1986). 'The structural determinants of union bargaining power'. *ILR Review* 40(1): 90-104.

Mishra, V., T. Chapman, R. Sinha, S. Kedia, and S. Gutta (2018). 'Young India and Work: A Survey of Youth Aspirations'. In *Observer Research Foundation and World Economic Forum*. 69.

NCEUS, (2008) 'Report on conditions of work and promotion of livelihoods in the unorganised sector'. New Delhi: Academic Foundation.

NSO (2019) "Annual Report: Periodic Labour Survey 2018–19", Ministry of Statistics and Programme Implementation, Government of India, New Delhi.

NSSO (2017) 'Key Indicators of Unincorporated Non-Agricultural Enterprises (Excluding Construction) in India', Ministry of Statistics and Programme Implementation, Government of India, New Delhi.

Oxfam India, (2019) 'Mind the Gap: The State of Employment in India', Working Report. New Delhi: Oxfam India.

- Philippas, D (2014) Analysis of Covariance (ANCOVA). In: Michalos A.C. (eds) *Encyclopedia of Quality of Life and Well-Being Research*. Springer. Dordrecht. https://doi.org/10.1007/978-94-007-0753-5_82
- Rajan, S. I (2010). 'Demographic ageing and employment in India'. ILO Asia-Pacific Working paper series. Regional Office for Asia and the Pacific. ILO. Geneva.
- Ramachandran, V. K (2011) 'The State of Agrarian Relations in India Today' *The Marxist*, 27(1-2): 51-89.
- Ramakumar, R., and Pallavi Chavan (2014) 'Bank Credit to Agriculture in India in the 2000s: Dissecting the Revival' *Review of Agrarian Studies*. 4(1): 50-79.
- Rangarajan, C, Padma Iyer Kaul, and Seema (2011) 'Where Is the Missing Labour Force?' *Economic & Political Weekly*. 46(39): 68-72.
- Rawal, V. and M. Swaminathan (2011) Returns from crop cultivation and scale of production. IGIDR Proceedings/Projects Series. Indira Gandhi Institute for Development Research. Mumbai.
- Rodrik, D (2016) 'Premature deindustrialization'. *Journal of Economic Growth*, 21(1):1-33.
- Rogaly, B., J. Biswas, D. Coppard, A. Rafique, K. Rana, and A. Sengupta (2001) 'Seasonal migration, social change and migrants rights, lessons from West Bengal'. *Economic and Political Weekly*. 36(49): 4547-58.
- Saha, A, and M. Swaminathan (1994) 'Agricultural growth in West Bengal in the 1980s: A disaggregation by districts and crops'. *Economic and political Weekly*, 29(13): A2-A11.
- Sengupta, A, K.P. Kannan, and G. Raveendran (2008) 'India's common people: Who are they, how many are they and how do they live?'. *Economic and Political Weekly*. 43(11):49-63.
- Sood, A, and P. Nath (2020) 'Labour Law Changes Innocuous Mistakes or Sleight of Hand?'. *Economic and Political Weekly*. 55(2): 33-37.
- Starosta, G. (2010) Global commodity chains and the Marxian law of value. *Antipode*, 42(2): 433-465.
- Thomas, J.J. (2020). 'Sectoral Sifts and Declining Labour Participation Rate of Women', in V.K. Ramachandran, Madhura Swaminathan, and Shruti Nagbhushan (eds). *Women Workers in Rural India*. pp 85-108. Tulika Books. New Delhi.
- Thorat S, and S. Madheswaran (2018) 'Graded Caste Inequality and Poverty: Evidence on Role of Economic Discrimination', *Journal of Social Inclusion Studies*. 4(1):3-29.
- Vakulabharanam, V (2010) 'Does class matter? Class structure and worsening inequality in India', *Economic and Political Weekly* 45(29): 67-76.

World Bank (2020) Global Economic Prospects. World Bank Publications. Washington DC: World Bank.

used to comment on the nature of enterprises, farm and non-farm respectively, in rural West Bengal.

The sections on the crisis of unemployment and a nature of self-employment, and the section on the crisis of salaried jobs used cross tabulation of estimates derived from the aforementioned secondary data (Section four to Section six). The subsequent section on the convergence of returns from different types of work is established using a regression model, specifically an ANCOVA model. We have provided the detailed method of the model, and results in Section seven.

INCREASING UNEMPLOYMENT AND PREVAILING SELF-EMPLOYMENT IN CONTEMPORARY RURAL WEST BENGAL

The previous decade has been identified as a period of moderate to a high growth of national product in India. While at the same time there has been an astounding increase in the rate of open unemployment in the country. All sources of labour statistics in co

Disclaimer

The core objective of the working paper series of BASE University is to help faculty members and research scholars to share their research findings at the pre-publication stage. The working paper series seek to stimulate discussions on the topic and suggestions are welcome. The opinion/views shared here are those of authors.

© Copyright rests with the authors

Contact: Bengaluru Dr. B. R. Ambedkar School of Economics University (BASE University)
Jnana Bharathi Main Road, Teachers Colony
Landmark- Opposite National Law School of India University
Bengaluru, Karnataka – 560072
Email: library@base.ac.in