2

Livelihoods and Employment

2.1 Introduction

Delhi, the capital of India, is among the top 40 cities[1] in terms of wealth ranking in the world. It is the hub of trade, commerce and industrial activities in northern India and has a huge potential for success in today's creative economy. It is the most prosperous state with the highest per capita income of more than Rs. 0.2 million in 2012-13 among all the states of the country.

The growth of the state's population during the decade 2001-2011 was 21 per cent, which dramatically declined from 47 per cent during the previous decade of 1991-2001. As mentioned in the introductory chapter, this reduction may be attributable to a drop in the fertility rate and a substantial increase in population in other towns of the National Capital Region (NCR).[2] In addition, it seems that the rate of in-migration in Delhi has declined or at least stabilised, and a large number of migrants are now settling down in other expanding towns of the NCR (Economic Survey of Delhi, 2012-13).

A district-wise analysis of the population reveals a clearer picture, indicating that two of the districts, that is, the New Delhi and Central districts, registered negative growth during the previous decade. The removal of slum clusters from Yamuna Pushta and simultaneous large-scale commercialisation have led to a fall in population as a rather large number of people have been either displaced or shifted out. The conversion of residential areas into commercial areas is also visible in Central Delhi, with the people of these areas preferring to move out to more modernised housing in other parts of Delhi or the NCR (Figure 2.1). On the other hand, the growth of the population in the South-west district is attributed to the incidence of people flocking to the relatively new areas such as the sub-city of Dwarka and other new settlements. The next fastest growth has occurred in the North-west district of Delhi, which includes areas such as Narela, Alipur, Mongolpuri, Wazirpur and Rohini. It is home to several rehabilitation colonies now occupied by people displaced from elsewhere or from the industrial estates in the city. The growth of numerous unauthorised colonies in the West district of the city has also led to an increase in its population size, with a similar situation prevailing in the South district too. As for the North district, while these factors hold true there too, the advent of the Delhi Metro and many flyovers has led to large-scale demolition and a consequent decline in population

Figure 2.1

District-wise Population of Delhi, 2001 and 2011

Sources: Census of India, 2001 and 2011.

1. Ranked 37th according to the World Wealth report, 2011.
2. As per information obtained from the Delhi Urban Shelter Improvement Board, only 32,000 displaced families, or around 1,50,000 people, have been officially relocated in rehabilitation colonies and the rest were displaced due to ineligibility for rehabilitation. They may have settled in slums elsewhere or in other parts of the NCR.

in the Kashmere Gate area. Due to this process of displacement, a large number of people have left the city or have shifted to the peripheral regions of the national capital. Apart from a drop in the fertility rate and the fact that a significant portion of the population has not been counted in the Census due to their migration to the peripheral regions of the city may also be responsible for the sharp drop in the population growth rate in Delhi.

An important and positive demographic feature is the increase in the sex ratio of the state from 821 to 866 during the last decade 2001-2011. The literacy rate has also registered an upward trend, rising from 81.67 per cent in 2001 to 86.34 per cent in 2011, with the male and female literacy figures being 91.03 per cent and 80.93 per cent, respectively.

Although the rate of migration seems to have declined or at least stabilised, Delhi continues to be a favourite destination for a large number of people seeking livelihood and better employment opportunities. The city has been registering robust growth in infrastructure and economic growth for the last several years. All these have contributed to an increase in employment and other economic opportunities in the city. This chapter provides details of the income growth, patterns of employment creation, the issue of migration and vulnerability in the livelihood opportunities of the workers.

The sources of data for this chapter are the Employment and Unemployment Surveys of the National Sample Survey Organisation (NSSO); the People's Perceptions Survey, 2013, conducted by the Institute for Human Development (IHD); the Census of India, 2001 and 2011; and a large primary survey conducted by IHD and the Institute of Rural Management (IRMA), Anand on informal employment in 2010 (henceforth referred to as the IHD–IRMA survey). Apart from these sources, other secondary information from the Government of Delhi like Economic Surveys and other public documents have also been used for the chapter.

2.2 Economic Activity

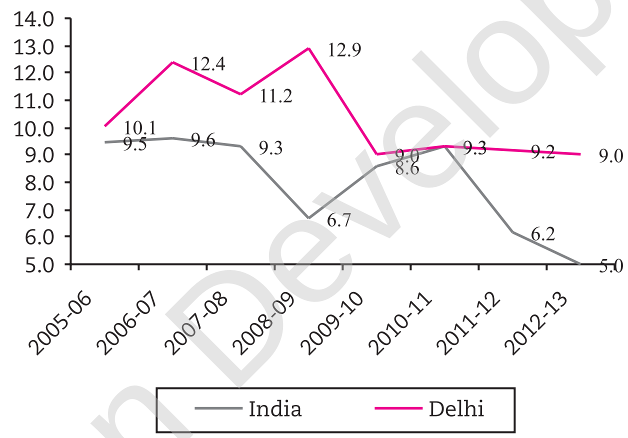
2.2.1. Level and Patterns of Income Generation

State Income

The Gross State Domestic Product (GSDP) of the state increased three-and-a-half times from Rs. 10,030 billion in 2004-05 to Rs. 36,570 billon in 2012-13 at current prices. The per capita income (GSDP) of Delhi crossed Rs. 0.2 million per annum in 2012-13 at current prices, which is around three times higher than the national average, and the highest in the country. During the years 2005-06 and 2012-13, the growth rates of per capita income of Delhi throughout exceeded the corresponding rates at the all-India level (Figure 2.2). The GSDP at constant prices also recorded an increase of 6.1 per cent during the period 1999-2000 to 2004-05 and of 11.9 per cent during the period 2004-05 to 2011-12.

Figure 2.2

Growth of State Domestic Product, Delhi and India during 2005-06 to 2012-13

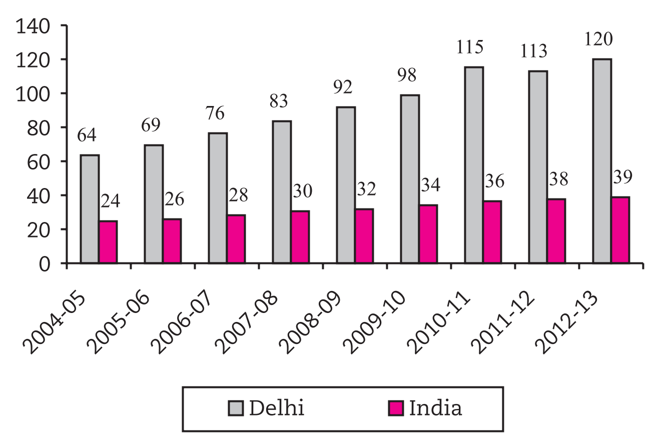


Source: Economic Survey of Delhi, 2012-13.

An assessment of the per capita real income of Delhi also indicates that it is consistently higher than the national average and increased almost two-fold at constant prices (2004-05) from 2004-05 to 2012-13 (Figure 2.3). The growth of per capita real state income has also been consistently higher than the growth of the national per capita real income. It recorded an increase of around 6.9 per cent in Delhi as compared to 2.9 per cent of the national per capita real income during 2012-13 (Figure 2.4).

Figure 2.3

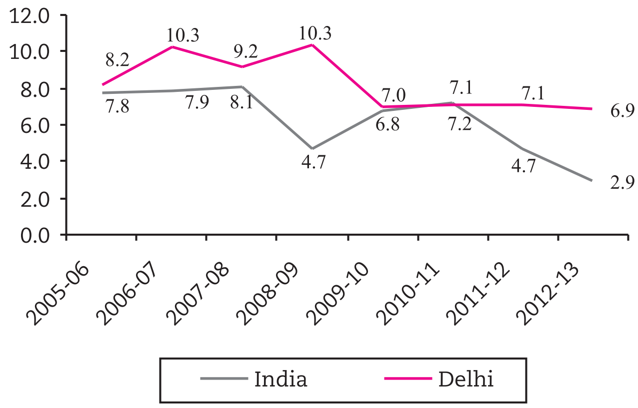
Per Capita Real Income of Delhi and India (in Rs. hundred thousand and at constant 2004-05 prices)



Source: Economic Survey of Delhi, 2012-13.

Figure 2.4

Growth Rate of Per Capita Real Income of Delhi and India from 2005-6 to 2012-13



Source: Economic Survey of Delhi, 2012-13.

Sectoral Composition of the State Income

The tertiary sector is the key driver of Delhi's economy. Its contribution is consistently very high and has increased over the years from 80.5 per cent in 2004-05 to 85.8 per cent in 2012-13. This sector consists of trade, hotels and restaurants, transport, communications, financial and insurance services, real estate, public administration and other social and personnel services. In contrast, the contribution of the primary and secondary sectors has been shrinking over the years. The contribution of the primary sector is almost negligible at less than 1 per cent at present. The share of the secondary sector declined from 18.5 per cent in 2004-05 to 13.6 per cent in 2012-13.

The decline in the share of the primary sector is the outcome of the declining rural and cultivable area as a result of the rapid pace of urbanisation and alternative uses of the available agricultural and rural land which provide higher returns. The share of the secondary sector has declined due to the displacement of industrial units and the closure of polluting industrial units due to the strict enforcement of environmental pollution standards. The closure of industrial units in the unapproved industrial areas has also contributed to the decline of contribution by the manufacturing sector to the economy. On the other hand, improvements in civic infrastructure, and the transport, communication, trade, storage, health, education and other sectors have helped to considerably promote the tertiary sector (Economic Survey of Delhi, 2012-13).

Incidence of Poverty

The high level of growth has also contributed to a decline in poverty over the years. Currently, less than 10 per cent of the state's population is below the poverty line (BPL), as per the latest NSSO quinquennial survey round of 2011-12. Albeit, this poverty line is a gross under-estimation of the level of poverty, as a whole, and there is a need to consider wider aspects in measuring poverty in a metropolis like Delhi where the cost of living is high. Nevertheless, there has certainly been a decline in absolute poverty levels in Delhi as compared to other parts of the country. In view of the significantly high growth rate in Delhi, however, the extent of decline in poverty in the state was expected to be more than what has been witnessed.

2.3 Level and Patterns of Employment Generation

2.3.1. Participation in the Labour Market

The Labour Force Participation Rate (LFPR) in Delhi has increased marginally from 34 per cent in 1999-2000 to 35 per cent in 2004-05, but it remained almost constant during the period 2004-05 to 2011-12. Although the female participation rate of Delhi has been low in comparison to the corresponding all-India rate for all these years, yet there was a continuous increase in female participation during this period, from 8.8 per cent in 1999-2000 to 11.1 per cent in 2011-12, though the male participation rate remained the same during the period under consideration. However, there is a strong gender disadvantage in labour force participation, since it is much lower in the case of females as compared to males for all the years. During the year 2011-12, women's participation was just 11 per cent, which is around five times lower than that of males (54.8 per cent) (Table 2.1). The participation rate of women in Delhi is around 40 per cent lower than the urban female participation rate for India as a whole. An important aspect of female labour force participation is that while in the case of males, it does not vary substantially across educational levels, in the case of females, it is clearly U-shaped, with a much higher level on the right side. The female participation rate for graduates and above is almost double the second highest category of 'not literate females', who participate in the labour market in large numbers (Table 2.2). This is also reflected in the higher work participation of women at the top income level—the participation of women in the highest expenditure quintiles is the highest, but this trend has not been noticed in the case of males.

Table 2.1

Labour Force Participation Rate (LFPR) and Workforce Participation Rate (WPR) (UPSS) in Delhi

Gender	*Years*		
	1999-00	2004-05	2011-12
Labour Force Participation Rate (LFPR)			
Male	54.9	56.1	54.8
Female	8.8	9.4	11.1
Persons	33.9	35.2	35.0
Workforce Participation Rate (WPR)			
Male	53.1	53.5	52.7
Female	8.3	8.8	10.7
Persons	32.7	33.5	33.7

Note: The LFPR is the percentage of persons in the labour force to the total population, while the WPR is the percentage of persons in the workforce to the total population.

Source: 55th, 61st and 68th.Rounds, NSSO.

Table 2.2

Labour Force Participation Rate in Delhi by Educational Level (of Age 25 Years and Above), 2011-12

Education	*2011-12*		
	Male	*Female*	*Persons*
Not literate	70.9	8.6	25.1
Up to the Primary Level	73.8	2.8	44.3
Primary Level	91.9	7.4	58.6
Middle Level	96.9	1.2	57.5
Secondary Level	91.3	1.8	55.1
Higher secondary Level	94.6	4.3	55.1
Graduate + Level	83.1	15.9	56.9
Total	88.3	7.6	49.7

Source: National Sample Survey, 2011-12.

The total number of workers in Delhi increased from 4.4 million during the year 1999-2000 to 4.9 million during the year 2004-05, and further to 5.6 million during the year 2011-12. In the case of unemployed, there was an increase of about 87,000 during the period 1999-2000 to 2004-05, but it declined by 24,000 during the next seven years. Interestingly, the number of female workers almost doubled during the period 1999-2000 to 2011-12, while the number of female unemployed declined during this period from 33,000 to 32,000 (Table 2.3).

A comparison of the unemployment rates of Delhi with those of urban India as a whole indicates that the overall unemployment rate is slightly higher in Delhi (4 per cent) as compared to that of urban India (3.4 per cent) during the year 2011-12. However, it is comparatively less in the case of females (4.3 per cent) as compared to that of males (3.9 per cent) (Table 2.4).

Table 2.4

Unemployment Rate (UPSS) Delhi and Urban India

		1999-00	2004-05	2011-12
Delhi	Male	3.0	5.1	3.9
	Female	7.3	8.0	4.3
	Persons	3.6	5.4	4.0
Urban India	Male	4.6	3.8	3.0
	Female	5.7	6.9	5.2
	Persons	4.8	4.5	3.4

Source: 55th, 61st and 68th Rounds, NSSO.

2.3.2. Composition of Employment

A comparison of the primary, secondary and tertiary sectors shows a sharp decline in the primary sector from 3.0 per cent to 0.3 per cent during the period 1999-2000 to 2009-10. The tertiary sector share grew

Table 2.3

Labour Force, Work Force and Unemployed (in '000)

	1999-2000			2004-05			2011-12		
	Male	*Female*	*Persons*	*Male*	*Female*	*Persons*	*Male*	*Female*	*Persons*
Labour Force	3,986	526	4,512	4,521	635	5,156	4,980	877	5,857
Work Force	3,860	493	4,353	4,315	595	4,909	4,789	846	5,635
Unemployed	126	33	159	206	40	246	191	32	222

Source: National Sample Survey, 1999-2000, 2004-05 and 2011-12.

from 64.9 per cent to 67.6 per cent during this period but the share of the secondary sector declined only marginally from 32.5 per cent to 32.1 per cent during the corresponding period.

The employment scenario in Delhi is dominated by the following four sectors: (i) trade, hotels and restaurants, (ii) manufacturing; (iii) public administration, education, health and other services; and (iv) finance, real estate and business activities. Interestingly, more than 50 per cent of the female employment is concentrated in the public administration, education and health sectors. During the ten-year period from 1999-2000 to 2009-10, the highest increase in the share of employment was in the finance, real estate and business sectors (8.2 percentage points), followed by manufacturing (2.4 percentage points), transport, storage and communication (2.1 percentage points), and trade, hotels and restaurants (1.6 percentage points). During the year 2009-10, the trade, hotels and restaurants sector accounted for 30.5 per cent of all employment, followed closely by manufacturing, which accounted for 27.6 per cent. The finance, real estate and business sector accounted for 12.3 per cent of the total employment and 9.3 per cent was accounted for by transport, storage and communication (Table 2.5). On the other hand, the largest decline in employment share was observed in public administration, health and other services (9.3 percentage points) followed by the construction sector (2 percentage points). The manufacturing sector showed a contrasting picture, registering an increase in employment share but a decline in the GDP share, accounting for low labour productivity. This points to the creation of low productive jobs in this sector. Another interesting point is that public administration, health and other services show a decline in employment growth but an impressive rise in productivity. As a whole, the secondary sector exhibits much lower productivity (its share in state GDP is around 13 per cent but its share in employment is much higher at 32 per cent) as compared to the tertiary services sector, whose share in the state income is around 85 per cent but that in employment is only around 67 per cent.[3]

2.3.3. Recent Pattern of Employment Growth

The pattern of employment growth during the year 2005-10 has also been analysed at a more disaggregated level (4-digit level) by classifying the industries into the following three categories: (i) Industries having an employment share of more than 0.5 per cent and those having generated some additional employment during 2005-10, (ii) Industries having an employment share of more than 0.5 per cent, but having witnessed some decline in employment during the period 2005-10, and (iii) Emerging industries for which the growth of employment during this period was impressive (more than 25 per cent), irrespective of their share of employment. Some of the important industries in these three categories are discussed below (see Annex. Tables 2.1a, 2.1b, and 2.1c).

Table 2.5

Employment by Industry in Delhi, 1999-2000, 2004-05 and 2009-10

Industry	*Years*		
	1999-2000	2004-05	2009-10
Agriculture and Mining	3.0	0.6	0.2
Primary Sector	3.0	0.6	0.3
Manufacturing and Electricity	25.6	25.2	27.6
Construction	6.5	6.5	4.5
Secondary Sector	32.5	31.8	32.1
Trade, Hotels and Restaurants	28.8	27.4	30.5
Transport, Storage and Communication	7.2	8.2	9.3
Finance., Real Estate And Business	4.1	8.1	12.3
Public Administration, Education, Health and Others	24.8	24.0	15.5
Tertiary Sector	64.9	67.7	67.6
Total	100.0	100.0	100.0

Source: 55th, 61st and 68th Rounds, NSSO.

Six industries in the first category show a net increase in employment to the tune of more than 50,000 during the period 2005-10. In the case of the 'wholesale and retail trade' sector, these industries are: (i) Retail sale of food, beverages and tobacco in specialised stores (1,81,000), (ii) Wholesale of other intermediate products, waste and scrap (63,000), and (iii) Sale, maintenance and repair of motorcycles and related parts and accessories (54,000). Most of the employment generated in the 'wholesale and retail trade sector' is of the self-employment type. In the manufacturing sector, it mostly pertains to the manufacture of luggage, handbags, and the like (1,69,000). Out of 1,69,000, about two-thirds of the

3. The employment figures quoted are for the year 2009-10 while the state income figures pertain to the year 2012-13.

workers were regular workers while the remaining were self-employed. The other two industries are: (i) Software publishing (51,000), relating to the computer sector, and (ii) Investigation and security activities (50,000), relating to the other business sector. The employment generated in these industries was mostly of the regular type (see Annex Table 2.a).

The emerging industries having high growth rates of employment (of more than 50 per cent per annum) during this period are those dealing in the: (i) Manufacture of luggage, handbags, and the like (51 per cent), (ii) Manufacture of ferrous alloys (113 per cent), (iii) Manufacture of basic precious and non-ferrous metals, (iv) Wholesale of other intermediate products, waste and scrap (51 per cent), (v) Cargo handling (66 per cent), (vi) Computer hardware consultancy (55 per cent), (vii) Advertising (129 per cent), (viii) Investigation and security activities, and (ix) Dramatic arts, music and other arts activities. Out of these nine industries, in two industries (that is, investigation and security activities; and dramatic arts, music and other arts activities), the maximum employment generated was of the self-employment type, and in the remaining seven industries, it was mainly of the regular type. Some of these industries relate to modern services (that is, advertising, computer hardware consultancy, and investigation and security activities), the growth of which is good for the state but there are some industries (that is, wholesale of other intermediate products, waste and scrap), which might be causing pollution (see Annex Table 2.b).

The industries having a share of employment of more than 0.5 per cent and where the net decline in employment was more than 50,000 during the period 2005 to 2012 are: (i) Embroidery work, *zari* work and making of ornamental trimmings by hand (82,000), which is a traditional industry, (ii) Other retail sale in specialised stores (73,000), and (iii) Building of complete constructions or parts thereof; civil engineering (63,000) (see Annex Table 2.c). The above analysis at the disaggregated level shows that Delhi is witnessing a significant change in the pattern of employment growth. Several new industries, particularly in the service sector, have emerged in recent years. On the other hand, some traditional industries, in both manufacturing and services, have shown a decline. This pattern needs to be studied in depth through primary data.

2.3.4. Growth of Organised and Unorganised Employment

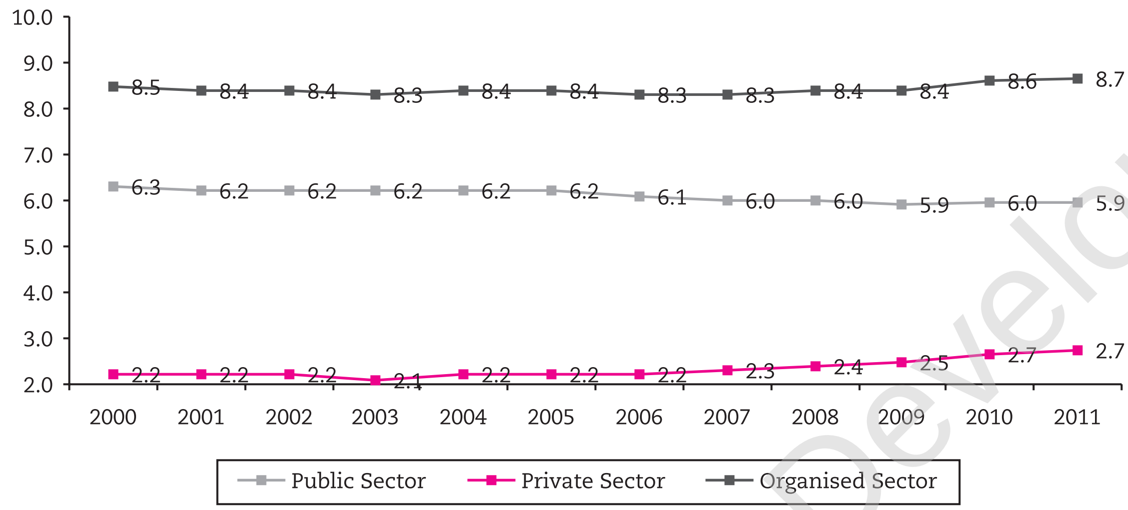
The employment in organised sector in Delhi during the period 2000-07 showed a marginal decline from 0.85 million in 2000 to 0.83 million in 2007, after which it increased to 0.86 million in 2011. During the same period, employment in the organised private sector showed an increasing trend but from a low base. It increased from 0.22 million in 2007 to 0.27 million in 2011, but this could not arrest the decline in organised sector employment because of the large decline in organised public sector employment. Of the 0.86 million (8.6 lakhs) total employment in organised sector, close to 70 per cent of all organised employment in Delhi is in the public sector while the rest is in the private sector. The Central Government and quasi-Central bodies account for nearly 58 per cent of the employment, while the State Government and quasi-State bodies account for about 28 per cent and the rest (about 14 per cent) is accounted for by local bodies (DGET, 2013) (Figure 2.5).

Employment in the public sector, especially the Central Government, quasi-government and local bodies shows a declining trend while that in the Government of the National Capital Territory (NCT) of Delhi showed a positive growth from 1,13,000 in March 2000 to 1,27,000 in March 2009, which recorded a growth rate at 1.14 per cent per annum. The breakdown of public sector jobs shows that the public sector workers are largely employed in the Central Government followed by that in quasi-Central Government bodies. Two-fifths of the public sector workers are employed by the State Government, quasi-State and local bodies.

With the level of employment generation in the organised sector being low, most of the employment generation (around 85 per cent of the total, which includes the self-employed) in Delhi has taken place in the unorganised informal sector. The NSS survey of the 67th Round, 2010-11, pertaining to unincorporated non-agricultural enterprises for the year shows that retail trade (except for motor vehicles and motorcycles) dominates unorganised sector employment, accounting for a share of nearly 28.2 per cent. The other important sub-sectors of employment were: Manufacture of wearing apparel (8 per cent), wholesale trade, except motor vehicles and motorcycles (7.3 per cent), food and beverages, and service activities (6.4 per cent), other personal service activities (maids, hairdressers, pet care, etc.) (4.8 per cent), education (3.5 per cent), wholesale and retail

Figure 2.5

Growth of Organised Sector Employment in (in hundred thousand) 2000-20011



Source: DGET, Annual Employment Review, various years.

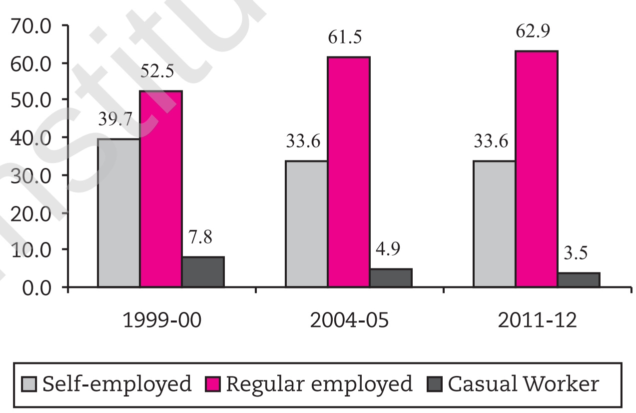
trade, and repair of motor vehicles and motorcycles (3.2 per cent), and human health activities (3 per cent). The above industries together accounted for about two-thirds of the employment in all the 65 sub-sectors of unorganised sector employment.

2.3.5 Employment Status and Earnings of Workers

Notwithstanding the growth in unorganised sector employment, Delhi has witnessed an increased trend in the growth of regular workers. The status of employment shows that about 63 per cent of the workers are regularly employed, and about one-third are self-employed, while casual labourers account for a low share of only 3.5 per cent. This is quite in contrast with the picture of urban India wherein the percentages of regular, self-employed and casual workers are 42, 43, and 15, respectively. Further, the share of regularly employment increased by about 10 percentage points during the period 1999-2000 to 2011-12. The share of self-employment increased by 6 percentage points, but most importantly, the share of casual workers declined by 4 percentage points during the corresponding period (Figure 2.6).

Figure 2.6

Status of Employment, 1999-2000, 2004-05 and 2011-12



Source: NSS Surveys, Various Rounds.

Earnings of Workers

Along with an expansion in employment opportunities for wage and salary employment, there has also been increase in the earnings of workers. The average per day earning of regular workers increased during the period 2004-05 to 2011-12 (at constant 2004-05 prices) at 4.5 per cent per annum. The increase was higher for females (6.6 per cent) than for males (4.7 per cent). While this rate of increase for males in Delhi was similar to the corresponding all-India figures, in the case of females, it was somewhat higher than the all-India figures. Similarly, the average wage of casual workers increased substantially at a rate which was twice of the corresponding all-India rate during the same period, reflecting the working of two factors—tightening of the labour market for casual labourers, which largely includes manual work, with a possibly lower supply and regular increase in the statutory minimum wages (Table 2.6).

Table 2.6

Growth of Wage Rate, 2004-05 to 2011-12 (Age Group of 15-59 Years)

Delhi/All India	*Male*	*Female*	*Total*
Regular Workers			
Delhi	4.1	6.6	4.5
All-India	4.2	4.7	4.2
Casual Workers			
Delhi	10.3	-	10.9
All-India	4.9	5.5	5.2

Source: National Sample Survey, 2004-05, 2011-12.

2.4. Migration Level

As mentioned earlier, there are indications that the rate of migration in Delhi has somewhat declined or at least, it is stabilising, as a large number of migrants are settling in other parts of the NCR. However, even now, it is estimated that about 75,000 persons per year are still migrating to Delhi (Economic Survey of Delhi, 2012-13).

Some recent patterns in migration can be observed from the Perceptions Survey, 2013. The survey shows that around 16 per cent of the total population of Delhi comprises migrants, taking into account the 20 years duration of migration. If the duration of migration is limited to 10 years, as is generally done, the proportion of migrants falls to around 9 per cent. This estimate pertains to individual migrants, and if the migrant households (defined as those having at least one migrant) were to be considered, the proportion of migrant households in the total households would be much larger (IHD–IRMA, 2010).[4] The proportion of migrants is 4.6 per cent in the case of a duration ranging between 6 and 10 years, and 4.1 per cent in case of a duration of less than 5 years, implying that there has been a small decline in the incidence of migration during the last five years or so. An analysis of the reasons for migration reveals an interesting picture, with the proportion of migrants in search of employment and better employment opportunities showing a clearly declining trend. On the other hand, the proportion of those migrating for the purpose of education and training shows an increasing trend. The number of migrants coming to Delhi for pursuing education, and acquiring skills and training in various disciplines has increased more than twice during the last ten years, with the highest proportion being registered during the last one year alone. The proportion of people who migrate in search of employment and better employment opportunities has declined from around 60 per cent to 32 per cent, and form 28 per cent to 21 per cent, respectively, during the corresponding period. This indicates that migrants might be preferring other places for employment opportunities than Delhi as compared to ten years ago. There may be several reasons behind this decline in the migration to Delhi for employment reasons, including the high cost of living (food, housing, transport, etc.) in Delhi as compared to that in other towns and cities (Table 2.7).

Table 2.7

Reasons for Migration by the Years of Migration

Reasons for Migration/ Years of Migration	*Years of Migration*				
	Up to 1 Year	*2-5 Years*	*6-10 Years*	*> 10 Years*	*Total*
In Search of Employment	31.9	42.3	51.5	59.5	50.7
In Search of Better Employment/Higher Salary and Wages	21.3	16.0	24.2	27.8	23.0
To Take up Better Employment/Higher Salary and Wages	5.4	2.6	6.8	3.9	4.4
Education and Training	40.4	32.5	12.9	6.2	17.6
Others*	1.0	6.6	4.6	2.6	4.2
Total	100.0	100.0	100.0	100.0	100.0

Note: Others* include poverty, abuse, discrimination and natural disaster.
Source: Perceptions Survey, 2013.

4. The IHD–IRMA Survey had also found that around 8.5 per cent of the individuals (considering up to 10 years of migration) are migrants and that 16 per cent of the households are migrant households.

An assessment of the state-wise share of the population migrating to Delhi indicates that the incidence of migration is the highest from Uttar Pradesh (UP) (47 per cent), followed by Bihar (31 per cent). There has been a rapid increase in the share of migration from Bihar, of nearly 2.5 times from 13.6 per cent in 2001 to around 31 per cent in 2013. On the other hand, barring the states of UP and Bihar, the respective shares of migration of all other states have shown a decline, albeit at varying rates (Table 2.8).

Table 2.8

State-wise Share of Migration in Delhi, 2001 and 2013 (Percentage of the Total Migrants)

States	*Years*	
	2001	*2013*
Uttar Pradesh	43.13	46.50
Bihar	13.63	30.70
Haryana	10.43	4.10
Rajasthan	5.16	2.90
West Bengal	3.22	2.90
Others	24.43	12.90
Total	100.00	100.00

Sources: 1. For the year 2001: Census of India, 2001;
2. For the year 2013: Perceptions Survey, 2013.

As pointed out earlier, the occupations of the main earners of the migrant households in Delhi also show a changing picture. The proportion of migrating professionals has increased while that of service workers and skilled low-paid workers has declined over the years, except in the case of unskilled low-paid workers, whose share has marginally increased. Delhi has limited space and the character of the activities being undertaken here is also changing. The number of low-paid and service workers migrating to Delhi is thus gradually due to the high cost of living and possibly also because of the recent increase in the availability of more options in the peripheral areas of the NCR or in some other cities of the country (Table 2.9). More than half of the recent migrants are highly educated (at the level of graduates and above), and they constitute the largest proportion of the total migrants. The proportion of migrants with educational levels below graduation, on the other hand, has been continuously declining over the years (Table 2.9). This again shows that because of the changing activity patterns in the city, persons with a higher level of skills are now migrating to Delhi.

The remittance pattern shows that as a whole, around 44 per cent of the migrants send remittances to their native places. Three-fourths of the migrant households belonging to the highest income group

Table 2.9

Occupation of Main Migrant Earners and Highest Educational Level in the Migrant Family by Duration of Migration Years of Migration

Occupation	*Up to 1 Year*	*2-5 Years*	*6-10 Years*	*> 10 Years*	*Total*
Professional	12.1	11.0	6.3	5.2	7.6
Semi-professional	8.5	11.2	8.7	14.3	11.5
Service Workers	20.1	24.0	36.0	31.8	30.1
Skilled Low-paid Workers	12.2	15.2	21.3	28.6	21.7
Unskilled Low-paid Workers	18.3	8.2	18.1	19.1	15.6
Others (Students)	28.8	30.5	9.5	1.0	13.5
Total	100.0	100.0	100.0	100.0	100.0
Educational Level					
Illiterate	4.9	6.5	2.9	3.5	4.3
Primary Education	3.3	5.3	16.7	12.4	11.1
Secondary Education	17.7	18.6	30.0	40.2	29.8
Senior Secondary Education	8.5	11.3	16.4	16.9	14.7
Higher Education	65.6	58.3	34.0	27.0	40.1
Total	100.0	100.0	100.0	100.0	100.0

Source: Perceptions Survey, 2013.

remit money whereas only one-third of the migrant households belonging to the lowest income category of households remit money to their native places. This indicates that the lowest income households are not able to remit because of the higher level of minimum expenditure that they have to incur to survive in the metro city.

It is interesting to note the perceptions of migrants with regard to the availability of employment of opportunities as well as some indicators of satisfaction. As can be seen from Table 2.10, migrants have been able to avail of the numerous economic opportunities in the city. Around 60 per cent of the migrants interviewed during the Perceptions Survey, 2013, revealed that employment opportunities for working age men have improved in their households, whereas this percentage was only around 51 per cent for non-migrants. Only 8 per cent of the migrants reported that their incomes during the last three years had declined, whereas around 11 per cent of non-migrants reported such a decline (though the improvement in the case of non-migrants was higher than that of migrants) (Table 2.10). Not surprisingly, migrants, as a whole, have somewhat higher satisfaction levels as compared to those of non-migrants. As can be seen from the bottom section of Table 2.10, except the quality of life, in terms of the three other aspects—healthcare, neighbourhoods and overall achievements in life—the levels of satisfaction among the migrants are higher than those of non-migrants. However, it should be kept in mind that this does not necessarily indicate a higher level of well-being among migrants. Instead, most of the migrants may be comparing their present conditions with their initial conditions, which would have been generally inferior to the present conditions.

As a whole, there have been important changes in the pattern of migration in Delhi, and the city is becoming more selective in migration towards the more educated and skilled people. This conforms to the changing pattern of the growth structure and income generation in the city, which are dominated by the services sector, wherein higher levels of skills and education are required. The prevalence of advanced educational and training facilities in Delhi also attracts a large number of people. Further, the scarcity of space and rising costs of living compel the poor and less educated migrants to look for employment opportunities at other places around Delhi or elsewhere. Nevertheless, it has been observed that the city of Delhi has successfully absorbed migrants from all parts of the country, and this migrant population in Delhi largely feels satisfied with regard to the various aspects of the quality of life and livelihoods in the city.

Table 2.10

Availability of Employment Opportunities, Income Opportunities and Satisfaction Levels among Migrants and Non-Migrants

(a) Rate of Availability of employment opportunities for working age men in the households (% distribution)

	Migrants	*Non-migrants*
Good	59.8	51.1
Average	21.8	31.3
Poor	18.4	17.5
All	100.0	100.0

(b): Experience of Improvement/Deterioration in Income during the Last Three Years

Change in Income Levels	*Migrants*	*Non-migrants*
Improved	22.2	27.6
Remained Same	69.5	61.7
Deteriorated	8.3	10.7
All	100.0	100.0

(c) Satisfaction Level with Regard to Various Lifestyle Indicators

Lifestyle Indicators	*Migrants*	*Non-migrants*
Health	86.1	80.9
Quality of life	73.4	75.3
Neighbourhood	82.4	79.1
Overall Achievements in Life	64.0	61.3

Source: Perceptions Survey, 2013.

5. Informality, Vulnerability and Inequality

Although there has been a rather decent growth of employment in Delhi, most of the employment as elsewhere in the country is being generated in the unorganised sector, wherein the quality of employment is low and offers no social security. This can be seen by assessing the distribution of formal and informal workers. The informal (unorganised) sector comprises all unorganised enterprises, defined as all unincorporated private enterprises (owned by individuals or households) that employ less than ten workers. On the other hand, informal employment includes all those, whether employed in unorganised enterprises or in the organised sector, who have no access to social security benefits or security of tenure. There can, therefore, be informal workers in the organised sector and formal workers in the unorganised sector. The IHD–IRMA Survey, 2010 shows that the size of the formal sector (42 per cent) in Delhi was significantly higher than that in India as a while (16 per cent) in 2010. This is because the people in Delhi are mostly self-employed or regular workers, while a very small proportion of them are casual workers. However, an analysis of the workers' distribution across formal and informal employment indicates that around 86 per cent of all workers are informal workers (with the corresponding proportion for all- India being around 92 per cent). This reveals that though the size of the formal sector is very large in Delhi as compared to India as a whole, most employment created in Delhi is informal in nature. This can also be observed by looking at the matrix across sectors and workers. This clearly indicates that about two-thirds of the formal sector workers are informal workers, which implies increasing informalisation of the formal sector (Table 2.11).

Table 2.11

Formal and Informal Sector and Workers' Matrix, 2010

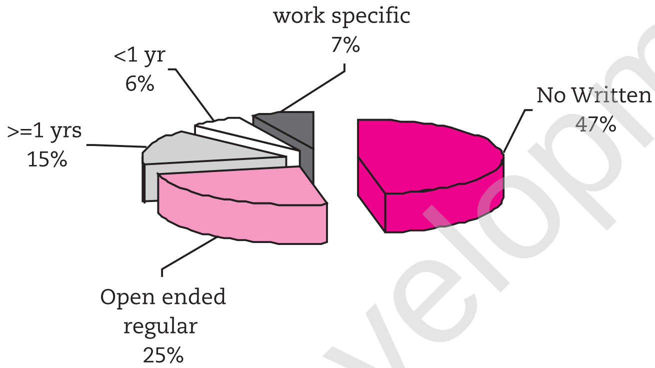
	Formal Sector			*Informal sector*		
	Male	*Female*	*Total*	*Male*	*Female*	*Total*
Formal Worker	31.1	54.9	33.9	*	*	*
Informal Worker	68.9	45.1	66.1	100.0	100.0	100.0

Note: * Negligible.
Source: IHD–IRMA Survey, 2010.

The workers face a high level of vulnerability. About half of them have no written contracts and 6 per cent of them work under written contracts of less than one year (Figure 2.7). As such, in a majority of the cases, employment in regular works provides some relief to them in terms of regular incomes but not in livelihood protection. This is also reflected in the low coverage of social protection available to them. Around four-fifths of the workers do not have any social protection (with the insecurity affecting around two-thirds of the workers in the formal sector and as many as 93 per cent in the informal sector).

Figure 2.7

Written Contracts of Regular Workers in 2010



Source: IHD-IRMA Survey, 2010.

The inequality between formal and informal sector workers is also reflected in some other indicators. The average number of years of schooling in the case of informal workers is 7.1 years, whereas in the case of formal workers, it is 11.1 years. Less than one-tenth of the informal workers have higher education, whereas more than half of the formal workers have higher education. Similarly, while about 15 per cent of the formal workers have acquired technical or vocational education, the percentage is as low as 2 in the case of informal workers. All these have contributed to their earning differentials. The average monthly earning of male formal workers was nearly three times higher than that of their informal counterparts. In the case of informal female workers, the differences were even higher, with the earnings of female formal workers being about 4.5 times higher than those of the informal female workers (Table 2.12).

Table 2.12

Educational Achievements and Monthly Incomes of Informal and Formal Workers in Delhi in 2010

	Informal Workers	*Formal Workers*
Educational Qualifications		
Mean years of schooling	7.1	11.1
% of workers with higher education	9.6	53.4
% of workers with technical education	2.3	14.7
Average monthly income (Rs.)		
Male	6,175	18,082
Female	3,886	17,295

Source: IHD–IRMA Survey (2010).

Table 2.13

Top Ten Occupation Groups by Quintile Income Classes in terms of Share of Employment

Occupations	*Bottom three quintiles*	*Fourth quintile*	*Highest quintile*	Share in employment
Shop workers, assistants, peons, delivery boy, waiters	71.6	20.5	7.9	18.4
Construction workers, masons, plumbers, painters, welders	85.1	13.6	1.3	16.7
Managers, operators, officers, engineers	17.0	19.8	63.2	13.4
Small shop keepers, traders	35.2	26.1	38.7	12.7
Transport workers, drivers, conductors, rickshaw pullers	66.8	25.6	7.5	9.1
Street vendors, cobblers, other service providers on the streets	68.8	26.3	5.0	5.6
Domestic workers, cleaners, washermen, caretakers, gardeners	89.6	8.4	2.1	5.6
Clerks, defence workers, police personnel, constables	13.2	17.9	68.9	3.5
Electricians, mechanics, fitters, repairers	61.8	19.4	18.8	3.4
Home based workers, artisans, tailors, blacksmiths	64.4	23.8	11.9	3.4

Source: IHD-IRMA Survey (2010).

The detailed sectoral distribution of workers shows that the poor workers are concentrated in: (i) Private households with employed persons; (ii) Other community and personal activities; (iii) Agriculture, and (iv) Construction. On the other hand, members of middle- and high-income households are working in administrative jobs in the education, health and social work, financial intermediation, public administration and real estate sectors. The workers in manufacturing, hotels and transport, and wholesale and retail trade were equally distributed across all the income group households .

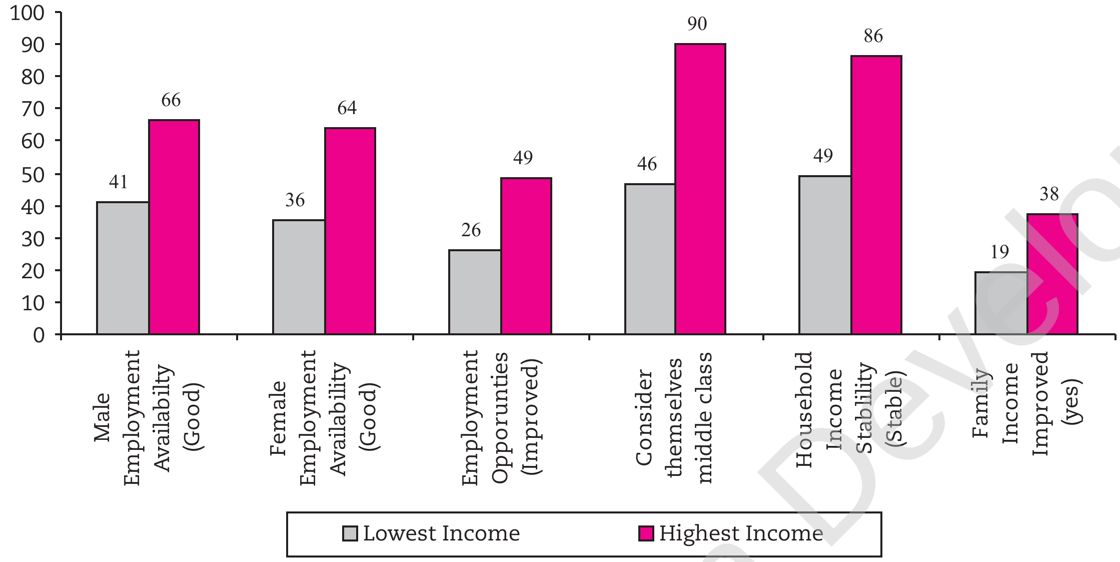
Ten broad groups of occupations constitute 92 per cent of the total employment in Delhi (Table 2.13). There is a clear distinction between workers across occupations and income groups of professionals and people involved in administration and trade belonging to higher income quintile. On the other hand, those engaged as shop workers and assistants, peons, construction workers, transport workers, street vendors, domestic workers, and household workers report very high levels of vulnerability in terms of income.

The distribution of occupational status as per the Perceptions Survey, 2013, reveals that the main earners belonging to the lowest household income are largely engaged in unskilled, service work and low-wage skilled jobs. On the other hand, the main earners belonging to highest income category are mostly engaged in professional and semi-professional jobs. A similar trend can be observed in the case of the spouse of the main earner of the highest income and lowest income categories, wherein the spouses of the main earners of the highest income categories are engaged in professional or semi-professional jobs while the spouses of the main earners of the lowest income categories are involved in unskilled low-wage and service work. As mentioned earlier, the female work participation rate of the highest income group is more than double of that of the lowest income group (13 per cent as against 4.8 per cent). It increases the earning differential of households of the lowest and highest income categories.

This differentiation in earning opportunities, which is primarily caused by the level of education of both the main earners and their spouses, is also reflected in the differential perception of economic opportunities. The household perception about the present economic environment reveals that households belonging to the highest income group are more confident and optimistic about the male and female employment opportunities and improvement in the family income. On the other hand, households belonging to the lowest income category are less confident about employment opportunities and improvement in their incomes. Although there are differences of opinion between the highest income group and the lowest income group households, yet a substantial proportion of workers in the lowest income group perceive that they are in the middle income category (46 per cent) and have stable household incomes (49 per cent) and access to good opportunities for male (41 per cent) and female (36 per cent) employment (Figure 2.8).

Figure 2.8

Household Perception about Economic Environment



Source: Perceptions Survey, 2013.

Table 2.14

Access and Ownership to Consumer Assets

Monthly Income Group	*Scooter*	*Cycle/Rickshaw*	*Car*	*Cable TV*	*AC*	*Refrigerator*	*Laptop/Desktop*
Lowest	18.0	25.0	2.9	58.1	2.9	35.6	4.4
Low	35.1	25.9	7.1	77.6	7.1	59.0	7.1
Lower Middle	49.9	22.0	14.7	85.9	16.6	76.3	14.8
Middle	62.3	14.4	35.7	91.6	39.0	88.6	24.7
High	55.0	7.2	59.2	95.5	72.8	96.2	18.6
Total	40.7	21.9	15.7	78.9	17.3	65.3	12.0

Source: Perceptions Survey, 2013.

The ownership and access of consumer assets is an important indicator of well-being (Table 2.14). As expected, the proportion of households owning various consumer assets goes up monotonically in the higher income groups. Around three-fourths or a higher proportion of the lowest income households possess consumer assets like electric fans, cooking gas and television (not presented in the table). Around half of the households belonging to the lowest income class have cable connections and coolers in their homes. The difference is clearly visible in terms of ownership of luxury items (like refrigerators, air conditioners, car and laptop) between the lowest and highest income households though the ownership of some of the luxury items among the lowest income households needs to be noticed.

The size of dwellings reveals rather extreme inequality in Delhi. More than half of the lowest income households live in one-room dwellings. In contrast, 40 per cent of the households in the top income group live in houses with three and more rooms. Further, around 45 per cent of the people from the lowest income category were found to be paying monthly rents in the range of 20 per cent to 40 per cent. The people belonging to the second lowest income category also end up paying around 40 to 45 per cent of their monthly income as a rent. This also partially explains the declining trend of migration due to employment and population growth in Delhi in recent years.

Thus, though as a whole, the labour market in Delhi has tightened in the wake of high economic growth leading to expanding employment opportunities and enhanced earnings of the workers, this has been the consequence of increasing informalisation in the labour market. The labour market also exhibits vulnerability in terms of low coverage of social protection and a high level of inequality in the levels of living and earnings.

2.6 Conclusions and Policy Paradigms

The analysis undertaken in this chapter suggests that Delhi has witnessed expanding income and livelihood opportunities during the last 12 years or so. This has also led to a tightening of the labour market with increased employment opportunities and earnings. The proportion of regular workers has increased at the expense of the self-employed and casual workers. The labour force participation of females and their earnings have also increased. The most important part of this tightening of the labour market is reflected in the high growth of earnings of both regular and casual workers, particularly the latter.. There has also been a churning in the labour market, characterised by a significant growth of some modern industries and the decline of employment in some sub-sectors of both traditional industries as well as some modern industries. Delhi continues to attract a large number of migrants. However, it seems that the rate of migration (not the absolute levels) has declined or at least stabilised in recent years. This may be because of the incidence of a large proportion of migrants settling in other parts of the NCR and commuting into Delhi for work. The proportion of those migrating in search of employment shows a declining trend, while the number of those migrating for acquiring higher education and training shows an increase. Further, the proportion of professionals amongst migrants has increased, while that of service and low-paid workers has declined. Delhi has thus absorbed the high rate of migration rather well, with the migrants being largely satisfied in terms of various indicators of satisfaction levels, vis-à-vis the non-migrants in the city.

These positive trends have, however, been accompanied by some disquieting features. There has been a high degree of informalisation in the labour market, with around 86 per cent of the workers found to be informal workers. Around three-fourths of the workers have no social security benefits, which indicates a high level of vulnerability in livelihoods. There are also acute earning differentials between the formal and informal workers, along with huge disparities in the levels of livings. The labour productivity of the manufacturing sector is much lower as compared to that of the services sector. Of course, these trends are not confined to Delhi alone, and have been taking place in most parts of India, and indeed all over the world.

Emerging Policy Paradigms

Several programmes and policies are already being implemented for the promotion and protection of livelihoods in Delhi. Some of the important measures that are needed, as emerging from this analysis, include:

- Gradual formalisation of informal workers in terms of registration, contracts and provision of legal space for work.
- Enlarging and strengthening of social protection in terms of pension, healthcare and maternity benefits and specific needs of vulnerable sections.
- Policies for providing affordable housing for the poor.
- Shifting the low productive workers in the sub-sectors of manufacturing to higher value industries, either in manufacturing or services.
- Initiation of effective policies and programmes of credit, technology, skill upgradation and training for the low productive sectors, particularly the manufacturing sub-sectors.
- Better enforcement of laws for the promotion and protection of livelihoods, especially for those working in vulnerable occupations in terms of low earnings and higher uncertainty in livelihoods.
- Contextualisation of development planning in Delhi in terms of urban and livelihood planning of the NCR because of the existence of large inter linkages.

Annex. Table 2.1a

Important* Industries at the Four-digit Level Generating Additional Employment during 2005-2010

Broad Sector	*Sub-Sectors*	*Additional employment generated*	*Share in employment*	*Growth in employment during 2009-10*	*Employment Status*		
					Self-employed	*Regular*	*Casual*
Manufacturing	Manufacture of luggage, handbags, and the like, saddlery and harness	1,69,361	3.9	51	38	62	0
	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	26,109	1.4	9	57	39	4
	Printing [Includes printing of newspapers, magazines, periodicals, journals and other material for others on a fee or contract basis]	25,354	1.2	12	16	84	0
Wholesale and retail trade	Maintenance and repair of motor vehicles [including washing and polishing, etc.]	35,993	1.4	16	27	73	0
	Sale, maintenance and repair of motorcycles and related parts and accessories	54,202	1.3	47	60	40	0
	Wholesale of other intermediate products, waste and scrap	63,427	1.5	51	58	42	0
	Retail sale of food, beverages and tobacco in specialised stores	1,80,570	9.8	10	91	9	0
	Retail sale of textiles, clothing, footwear and leather goods	35,248	4.7	3	72	28	0
	Retail sale of household appliances, articles and equipment	28,900	2.3	6	81	19	0
Transport	Freight transport by road	36,523	2.5	7	43	57	0
Communication	Telecommunications	29,530	1.4	12	15	85	0
Real Estate	Real estate activities with own or leased property	28,166	0.7	33	78	22	0
Computer	Computer hardware consultancy	30,794	0.7	55	0	100	0
	Software publishing	50,700	1.3	32	14	86	0
Other Business	Advertising.	26,611	0.5	129	86	14	0
	Investigation and security activities	49,945	1.1	82	3	97	0

Note: *Industries having a share of employment of more than 0.5 per cent in 2010.

Source: National Sample Survey (NSS), 1999-2000, 2004-05 and 2009-10.

Annex. Table 2.1b

Important* Industries at the Four-digit Level with High Growth of Employment during 2005-10

Broad Sector	*Sub-Sectors*	*Additional employment generated*	*Share in Employment*	*Growth in employment during 2009-10*	*Employment Status*		
					Self-employed	*Regular*	*Casual*
Manufacturing	Manufacture of vegetable and animal oils and fats	10,842	0.27	39	0	100	0
	Manufacture of cordage, rope, twine and netting	7781	0.19	39	0	100	0
	Manufacture of luggage, handbags, and the like, saddlery and harness	1,69,361	3.88	51	38	62	0
	Printing [Includes printing of newspapers, magazines, periodicals, journals and other material for others on a fee or contract basis]	22,212	0.59	32	48	52	0
	Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations	18,787	0.46	40	42	58	0
	Manufacture of ferro alloys	23,111	0.47	113	0	100	0
	Manufacture of basic precious and non-ferrous metals	20,953	0.47	58	100	0	0
	Manufacture of machinery for textile, apparel and leather production	7408	0.19	38	0	100	0
	Manufacture of parts and accessories for motor vehicles and their engines	21,229	0.59	29	20	80	0
Electricity, gas and water	Collection, purification and distribution of water	1267	0.04	27	26	74	0
Wholesale and retail trade	Sale, maintenance and repair of motorcycles and related parts and accessories	54,202	1.27	47	60	40	0
	Wholesale of other intermediate products, waste and scrap	63,427	1.45	51	58	42	0
Supporting transport activities	Cargo handling	21,010	0.46	66	0	100	0
Insurance	Life insurance	13,208	0.39	26	0	100	0
Real Estate	Real estate activities with own or leased property	28,166	0.75	33	78	22	0
Computer	Computer hardware consultancy	30,794	0.69	55	0	100	0
	Software publishing	50,700	1.35	32	14	86	0
Other Business	Advertising	26,611	0.54	129	86	14	0
	Investigation and security activities	49,945	1.05	82	3	97	0
Recreation, culture and other	Dramatic arts, music and other arts activities	4428	0.10	58	100	0	0

Note: *Industries having the employment growth of more than 25 per cent per annum during 2005-10.

Source: National Sample Survey (NSS), 1999-2000, 2004-05 and 2009-10.

Annex. Table 2.1c

Important* Non-farm Industries with Declining Employment during 2005-10

Broad sector	*Sub-sectors*	*Decline in employment*	*Share in employment*	*Rate of decline*
Manufacturing	Embroidery work, zari work and making of ornamental trimmings by hand	-82287	1.02	-17.5
	Manufacture of other fabricated metal products	-15022	0.76	-6.5
	Manufacture of furniture	-27201	0.90	-9.0
Construction	Building of complete constructions or parts thereof; civil engineering	-63294	3.62	-5.8
Trade	Other retail sale in specialised stores	-73065	1.24	-14.4
Communication	Courier activities other than national post activities	-9646	0.62	-5.3
Other business	Accounting, book-keeping and auditing activities; tax consultancy	-14721	0.76	-6.3
	Photographic activities	-36326	0.86	-11.5
Education	Primary and secondary education	-84777	2.15	-11.0
Health and social work	Hospital activities.[Includes the activities of general and specialised hospitals]	-18915	0.94	-6.5

Note: *Industries having their share of employment more than 0.5 per cent in 2010.

Source: National Sample Survey (NSS), 1999-2000, 2004-05 and 2009-10.