

How Indians earn

Most salaried workers lack either written job contracts or benefits such as provident fund



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NEW DELHI

A fifth of bread-winners in India are salaried employees, a third are labourers, and a little less than half of bread-winners are self-employed, according to fresh data from a large-scale nationally representative survey conducted this year. The 'Household Survey on India's Citizen Environment & Consumer Economy' (ICE 360) survey shows that the self-employed category is a very diverse category, including highly paid professionals as well as poorer petty traders.

The survey also suggests great diversity in the ranks of salaried workers, with less than half of them having written job contracts, and only a little over a third of them having provident fund (PF) benefits.

Overall, 42% of chief wage earners are self-employed. Twenty-two per cent are engaged in farm and allied activities, 10% are shop owners or businessmen, 5% are self-employed non-professionals, 4% are petty traders, and only 1% of bread-winners are self-employed professionals, the survey shows.

Within the salaried class, grade IV employees (including peons, house-keeping staff, gardeners, etc.) outnumber both clerical staff and supervisory staff (and officers and executives) by a wide margin. Sixteen per cent of bread-winners are grade IV employees, while only 1% are officers or executives, the survey shows.

Over the past few years, there have been several reports on how post-graduates and doctorates have been applying for jobs of peons and clerks. The ICE 360 survey provides a fair sense of the extent of such under-employment. More than a tenth of grade IV employees are graduates, the survey shows. The share of graduates among grade IV employees (1%) nearly equals the share of graduates among shopkeepers and businessmen (2%).

The share of graduates among clerical staff (5%) is only a little less than the share of graduates among supervisory staff (and officers and executives) at 65%. The share of graduates among clerical staff is higher than the share of graduates among self-employed professionals, the data shows.

The survey highlights the fragile nature of employment in India. The survey shows that 68% of salaried workers in rural India, and 71% of salaried workers in urban India do not even have a written job contract. The share of workers with such contracts as maternity leave and PF contributions from employers is even lower. Like the class of self-employed workers, the salaried class is also a very heterogeneous group, the survey suggests.

The ICE 360 survey was conducted by the independent not-for-profit organization, People Research on India's Consumer Economy (PRICE), headed by two of India's best-known consumer economy experts, Rama Bijapurkar and Rajesh Shukla. The survey is among the largest consumer economy surveys in the country. The urban sample of the survey is comparable to that of the National Sample Survey Office (NSSO) consumer expenditure survey conducted in 2011-12. While the NSSO surveyed 101,631 households of which 41,968 (41.5%) were urban households, the ICE 360 survey covered 61,000 households of which 26,000 (59%) are urban households. The rural sample of the ICE 360 survey is less than half of the NSSO sample. Nonetheless, all the estimates of each region have been derived by adjusting for the respective population of those regions.

The classification of bread-winners for chief wage earners differs from NSSO's classification as in the ICE 360 survey, principal activity of the bread-winner is based on the economic activity from which the highest income is derived, whereas the NSSO classification is based on the economic activity to which the individual spends the most time.

A notable feature of this survey is that it is representative at the level of economic clusters. Urban India has

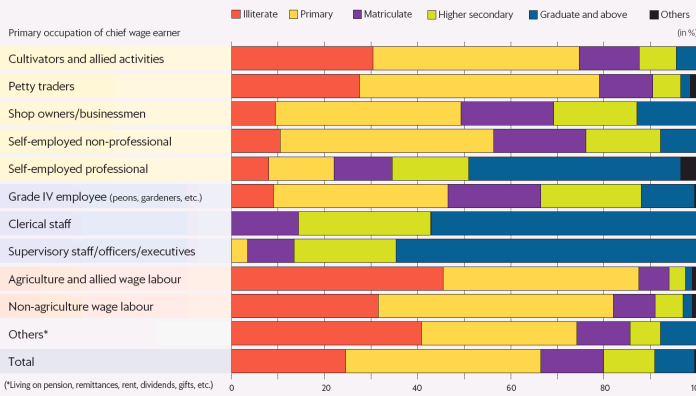
Occupational profile

42% are self-employed, 32% are labourers and 20% are salaried workers in India

Primary occupation of chief wage earner	% share of households	Median household income (Rs/month)
Self-employed		
Cultivators and allied activities	22	12,153
Petty traders	4	13,188
Shop owners/businessmen	10	19,393
Self-employed non-professional	5	16,808
Self-employed professional	1	21,462
Salaried		
Grade IV employee (peons, gardeners, etc.)	16	18,101
Clerical staff	1	31,030
Supervisory staff/officers/executives	3	34,779
Labourers		
Agriculture and allied wage labour	7	9,309
Non-agriculture wage labour	25	10,472
Others*		
(Living on pension, remittances, rent, dividends, gifts, etc.)	6	9,697

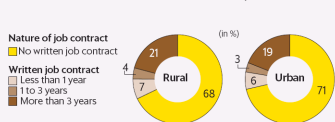
Educational qualifications

11% of grade IV employees (such as peons, gardeners, etc.) and 57% of clerical staff are graduates

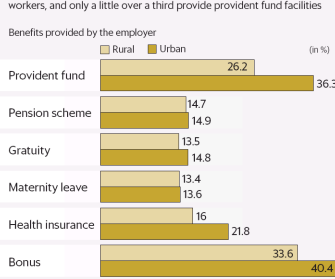


Insecure jobs

Most salaried workers in India do not have a written job contract



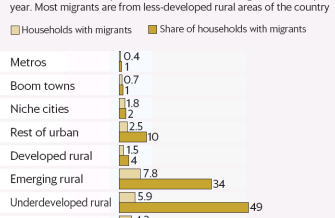
Less than a fifth of all employers provide maternity benefits to salaried workers, and only a little over a third provide provident fund facilities



Graphic: Ahmed Raza Khan/Mint

Migration

4.3% of households reported to have at least one migrant over the past year. Most migrants are from less-developed rural areas of the country



Most migrants belong to households where the bread-winner lacks education



Source: ICE 360 Survey, 2016

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been divided into four clusters: metros (population more than 5 million), boom towns (2.5 to 5 million), niche cities (1 to 2.5 million) and other urban towns (less than 1 million). Based on a district development index, rural India has been subdivided into three different clusters:

'developed rural', 'emerging rural', and 'underdeveloped rural'. The first category includes districts such as Bathinda (Punjab) and Kangra (Himachal Pradesh). The second category includes districts such as Latur (Maharashtra) and Kamrup (Assam), while the last category includes districts such as Kalahandi (Odisha) and Bastar (Chhattisgarh).

The survey shows that 4.3% households reported having at least one

member who migrated to another place over the past year (2015-16). Most such migrants belong to underdeveloped rural areas and to poor households where the bread-winner is either illiterate or ill-educated.

Roughly nine out of 10 migrants reported work-related (or money-related) reasons for migrating. Forty-seven per cent called "no work" at the current place of residence as the reason for migrating. An additional 37%

of those who migrated did so to "earn more money".

Tadit Kaunda in Mumbai contributed to this story.

This is the fifth of a 16-part data journalism series on how India lives, thinks, earns and spends, based on the latest results from the ICE 360 survey (www.ice360.in) conducted by the People Research on India's Consumer Economy (PRICE) in 2016. The next part will look at how India spends.

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NEW DELHI



Sushma Swara's kidney transplant likely this weekend
bit.ly/2gfhmmf

Oil minister Dharmendra Pradhan on Tuesday pitched for the inclusion of all hydrocarbon products within the goods and service tax (GST) system expected to be rolled out next year. The minister said the use of natural gas in the economy is likely to rise four-fold to 200 billion cubic metres a year.

Addressing reporters after a ministerial conference on gas in the capital, Pradhan endorsed the call for including imported gas within GST, a proposal made earlier in the day by Qatar's Gasfac Co. Ltd chief executive Hamad Mubarak Al Muhannadi. GST seeks to establish a single market across the country by doing away with multiple levies by the Union and state governments.

The council is a powerful body of state finance ministers chaired by Union finance minister Arun Jaitley, which has been empowered to decide when natural gas and four other hydrocarbons—crude oil, jet fuel, petrol and diesel—could be brought into GST. These items, a major source of revenue for states, are being kept outside GST in the initial years as part of a bargain that helped the centre win the states' backing for the tax reform.

"We should ask why is liquefied natural gas (LNG) not part of GST while competing fuels like LPG, naphtha and fuel oil are," Al Muhannadi said. Gas supplies about 8.5 million tonnes a year of LNG to India on long-term contracts.

Excluding a product from GST and continuing it under the current tax system limits the ability of businesses to set off their tax credits against their tax liability because they are subjected to two parallel tax systems. The demonetization move and its likely impact on consumption in the economy has, however, prompted some state finance ministers such as West Bengal's Amit Mitra to express doubts about the reform kicking off from April.

The projected growth in gas consumption is based on the centre's target to raise its share in the primary energy basket of coal, crude oil and gas from 6.3% now to 15% by 2030, Pradhan said.

According to David Carroll, president of oil-based non-profit International Gas Union, more gas being added to the global supply from producers such as Australia and the US, which is beneficial for the interests of consuming nations.

Ministries to prepare 'outcome budget' to meet targets on time

New Delhi: In order to improve the quality of public expenditure, the finance ministry has tightened norms under which each ministry and department will have to prepare an outcome budget in consultation with NITI Aayog to achieve certain objectives within a time frame. A finance ministry official, involved in budget making, said every "allocation for scheme/project will be against a firm set of deliverables which will need to be adhered to".

Through "outcome-based budgeting", the ministry is trying to shift from traditional performance-based budgeting by planning expenditure, fixing appropriate targets and quantifying deliverables of each scheme. **PTI**

Fund-raising via debt placement doubles to Rs48,695 cr in November

New Delhi: India Inc. raised a whopping Rs48,695 crore in November through private placement of corporate debt bonds, almost double from the year-ago period, for business expansion and propping up working capital requirements. In debt private placement, firms issue debt securities or bonds to institutional investors to raise capital.

According to the data available with Securities and Exchange Board of India (Sebi), companies garnered a total of Rs48,695 crore from debt on a private placement basis last month, much higher than the Rs24,618 crore raised in November 2015. In terms of numbers, 229 issues were made in November 2016 as compared to 133 in the year-ago period. **PTI**

Demonetization will have positive implications: D. Subbarao

Singapore: The Indian government's decision to ban high denomination currency notes may hurt growth in the short-term, but in the medium to long-term it will have positive macroeconomic implications, former Reserve Bank of India (RBI) governor D. Subbarao has said. "What is important, however, is the medium to long-term macroeconomic implications, which are decidedly positive", he wrote in a paper published by the Institute of South Asian Studies, a think-tank at the National University of Singapore.

In the very short-term, note ban may hurt growth. The squeeze in cash will constrain consumption, he noted. **PTI**

Delhi HC exempts Kejriwal from personal appearance in court

New Delhi: The Delhi high court on Tuesday exempted Delhi chief minister (CM) Arvind Kejriwal from personally appearing in proceedings on a criminal defamation case against him.

The case was filed by senior advocate Amit Sibal in 2013 after Kejriwal alleged a conflict of interest between him representing Vodafone India Ltd in a case before the Supreme court while his brother Kapil Sibal was the union communication minister. Justice Mukta Gupta allowed the exemption while holding that it would be in the interest of justice to do so as the nature of duties assigned to the CM would make it impossible for him to be personally present during the proceedings. **PRYANKA MITTAL**