



Bearing the Brunt

Demonetisation has thrown into disarray the livelihoods and incomes of informal workers, who account for the bulk of the labour force. By RAMESH CHAKRAPANI

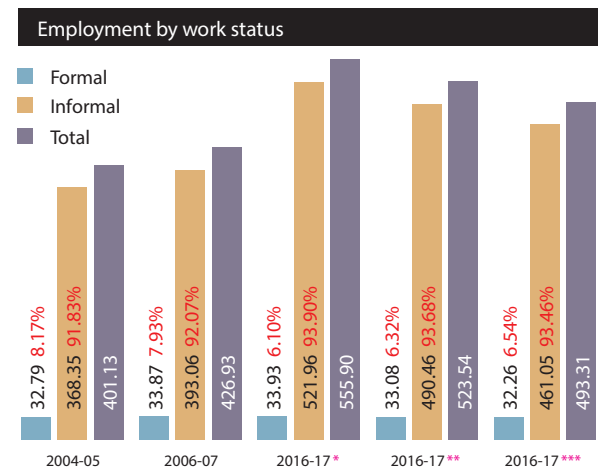
The Central government's recall of Rs.500 and Rs.1,000 notes on November 8 has turned the spotlight on informal workers, who account for the vast majority of the country's labour force. These workers stand to suffer the most as work grinds to a halt in agricultural, industrial and service sectors in the wake of the decision to demonetise high-denomination notes.

In a report on the informal economy in 2009, the National Commission for Enterprises in the Unorganised Sector estimated that the share of informal workers, despite varying projections of unemployment rates, was likely to remain around 92-93 per cent of the entire labour force in 2016-17, with 86-87 per cent working in the informal sector and around 6 per cent in the formal sector.

According to the commission, total employment in the country, which grew from 401.13 million in 2004-05 to 426.93 million in 2006-07, is projected to hit 555.90 million in 2016-17 at an estimated gross domestic product growth of 9 per cent. Of this, the informal sector's share was 342.49 million or 85.38 per cent in 2004-05, which grew to 365.47 million (85.60 per cent) in 2006-07 and is projected to touch 482.87 million (86.6 per cent) in 2016-17.

It is also pertinent to note that the Ministry of Labour's Report on Employment-Unemployment 2015-16 found in a

survey that 68 per cent of the households had an average monthly income of less than Rs.10,000, while around 20 per cent had an income of Rs.10,001-20,000.



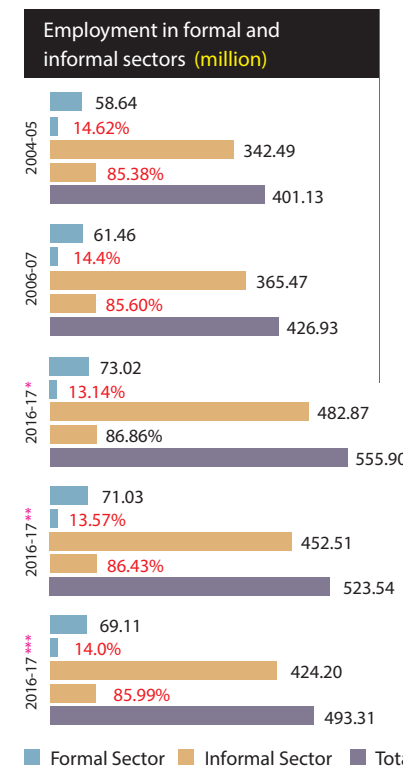
Source: NCEUS * Projected figures at estimated GDP growth rate of 9% ** Projected figures at estimated GDP growth rate of 7% *** Projected figures at estimated GDP growth rate of 5%

Daily minimum wages in key States (as on 1.12.2015) in Rs.

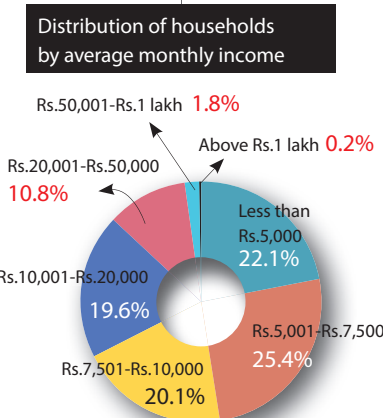
	Unskilled		Semi-skilled	
	Min	Max	Min	Max
All India	204	353	209	390
Uttar Pradesh	161.00	262.11	240.24	288.32
Maharashtra	180.00	315.49	-	-
Bihar	181.00	197.00	188.00	206.00
* West Bengal	171.00	268.00	172.00	295.00
** Tamil Nadu	146.00	431.86	-	-
Rajasthan	166.00	166.00	176.00	176.00
Madhya Pradesh	187.00	253.00	248.00	339.00
Karnataka	198.23	-	-	-
Gujarat	150.00	276.00	276.00	284.00
Andhra Pradesh	69.27	-	-	-
Delhi	316.00	353.00	349.00	390.00
Punjab	267.13	277.13	297.13	297.13
Odisha	200.00	200.00	220.00	220.00
Telangana	69.27	63.26	-	-
Assam	177.84	177.84	205.20	205.20
** Kerala	275.46	548.70	-	-
Jharkhand	210.00	225.00	220.00	240.00
* Assam	177.84	177.84	205.20	205.20

Source: Ministry of Labour and Employment Annual Report 2015-16

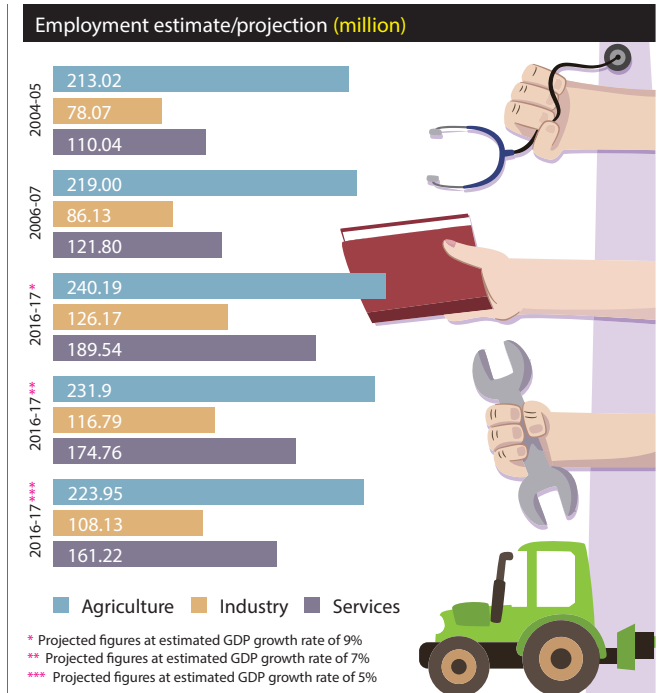
* Minimum wages for unskilled labour in Assam and West Bengal don't include rates for tea workers. ** Rates of tea workers in Tamil Nadu and Kerala are higher than the minimum for unskilled category.



Formal Sector Informal Sector Total



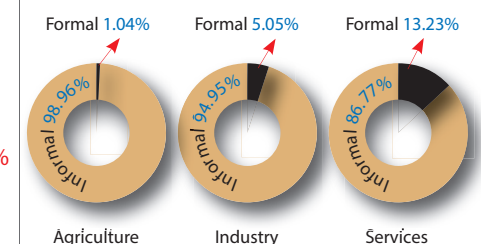
Source: Report on Employment-Unemployment 2015-16



* Projected figures at estimated GDP growth rate of 9%
 ** Projected figures at estimated GDP growth rate of 7%
 *** Projected figures at estimated GDP growth rate of 5%

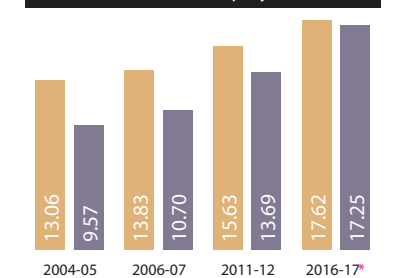
Source: NCEUS

Projected share of employment by work status for 2016-17*



* Estimated GDP growth rate of 9%

Projections of strictly part-time workers and under-employed (million)



* Projected figures at estimated GDP growth rate of 9%
 Source: NCEUS