Executive summary

Discrimination does not anger me; rather, it amuses how people can be so prejudiced as to be completely illogical.

Discrimination is denial of rights on basis of factors other than merits, which ultimately result in the loss of the employer and hinders the growth of society as a whole. The origin and effect of discrimination can be traced back to the origin of life and civilisation. It has its roots grown strong and nurtured since time immemorial. Various forms of discrimination which exist today in the society are racial, gender, ethnic, caste, occupation, wage and regional discrimination to name a few.

Since India a one of the aggressor in the third world countries and an upcoming economic super power, it has become all the more important to analyse the labour force and labour market of the country. Various studies conducted in regard of discrimination in the labour market of different states of the country have highlighted serious concerns and issues persisting in the labour market. Rajasthan being the largest state (area wise) and a rapidly developing state which has been known for princely estates and its colourful culture has often been stereotyped with caste and gender inequality.

This research work is an attempt to find the reality of the presence of discrimination in the society and labour market of Rajasthan, keeping above facts in mind. Studies done all around the world portray a picture of discrimination in all aspects of society which finally leads to discrimination in labour market. Various facts point out towards a strong relationship between discrimination in pre-market factors of endowment which finally results in labour market discrimination. Society has known bias towards certain castes,
religion, countries or states, races and gender. When these prejudices surface professionally, they take the form of labour market discrimination.

Since there are more employment opportunities and more rate of absorption in the ‘unorganised sector’ of the country, hence it becomes vital to conduct a research in this sector. The unorganised sector of India absorbs around 92% of the country’s labour force, making it the most important source of employment. As there has been no social security laws and benefits for workers in the unorganised sector, recently Government introduced ‘social security law for the unorganised workers Act’. In the Planning Commission Report of the Labour Department 2015 of Rajasthan Government, it has emphasised upon the importance of growth and opportunities in the unorganised sector. The Government of Rajasthan believes that organised sector of the state has reached a saturation point and the only way to create employment in the state remains in the unorganised sector. Hence this study specifically concentrates on the labour market discrimination in unorganised sector. Studies related to discrimination based on caste, gender, region, occupation, wage and religion have been done in many areas. This study concentrates on Rajasthan’s labour market where no elaborate study has been done so far.

The span of this study has been from October 2010 to September 2015. The research has taken three highest populated districts of Rajasthan namely, Alwar, Jaipur and Jodhpur as part of the population. Since unorganised sector spreads more in the urban parts of any districts such as, construction, headload workers, coolies, small and medium scale industries and domestic help, hence the urban parts of the three districts have been taken as the population size separately.

This work is primarily based on the primary data collected through scheduled interviews of the workers engaged in various occupations. Some of the important variables used in this study are the supply side variables. They include educational background, family
income, no of dependents, gender, religion, caste, and place of birth, kind of job, current earnings and socio economic details. The respondents’ socioeconomic profile comprises age, gender, job, number of members of households, number of years of staying on current job, number of years of staying in current place.

This research work uses modern econometric tools such as, ‘multinomial logistic regression’ and ‘Blinder-Oaxaca decomposition technique’ to analyse the primary data. Software packages like, SPSS version 19.0 and ‘Oaxaca’ package in ‘R’ software have been used to build models which indicate strong presence of child labour, gender, caste and regional discrimination thereby rejecting the hypotheses used as a basis of the study. Finally the study provides some probable recommendations which may be helpful in the policy making.

The research spans over five chapters:

**Chapter 1: Introduction to Discrimination and the theories behind it** is an exploratory chapter. It explores the concept of discrimination, unorganised sector, the legal definition of unorganised enterprises and sector in India, the definitions given by ILO, types of discrimination present, various theories behind discrimination, and then highlights the objectives of the current research.

**Chapter 2: Review of literature** provides the thorough review of existing literature relating to various aspects of labour market discrimination in India. The chapter begins with significance of review of literature in any study. The research papers have been bifurcated on the basis of forms of discrimination. They provide review of various studies on Caste, Race, Religion, Ethnicity, Gender, Job and other forms of discrimination. The chapter concludes with a summary of key observations after review of literature and research gap in existing studies.
Chapter 3: Research Methodology provides the statement of problem for research, objectives of study and research questions which the study should be able to answer at the end of the research. The chapter further states the hypotheses which are forms of discrimination under study and the rationale behind choosing them. It also states the period of study and the process through which data used for analysis is collected. This chapter also defines the variables used in the study. With reference to this foundation, the chapter further discusses the models used for further analysis.

Chapter 4: Data Analysis provides detailed empirical analysis of forms of discrimination under study. To answer the research questions, suitable models and tests have been applied using software like MS Excel, SPSS and Oaxaca Package in ‘R’. The major tools used were basic qualitative statistical analysis, correlation used to determine the degrees of association between different variables, three different multinomial logistic regression models to determine whether independent variables are responsible for the form of discrimination and finally the ‘Blinder-Oaxaca’ decomposition technique used to exactly predict the unjustified amount of discriminant wage.

Chapter 5: Conclusion and Recommendation provides answers to research questions of the study for each form of discrimination under study. The chapter also provides recommendations for policy making. The study concludes with its limitations and scope for further study for new research in this area.

Besides these five chapters mentioned above, the research work also includes detailed schedule used for the study and a comprehensive list at the end of the research study.

List of Papers Presented at Conference:

i) Paper presented in International Conference (ISLE) in Banaras Hindu University, 2012


iii) Presented paper in an International Conference on Labour Economics (ISLE) in December 2009 at Punjabi University, Patiala