Chapter 1
Introduction

Urban studies have opened up the field of intellectual interest to study individual cities historically across the last 200 years. These are of inequalities—the nature and extent of their prevalence in cities and their causes and consequences; the study of global cities, sometimes also called ‘world cities’, and their relationship to globalization; contemporary forms of urbanism—the nature of urban culture— and its relation to modernity and post-modernity; and, the role of the State in promoting urbanization and the nature of social movements around ethnicity and identity.

A significant section of study had been done on the urban phenomenon in the non-advanced capitalist regions—the South—and put up the question as to what the nature and characteristic of cities in the South and their relationship to the capitalist system are. Another angle of thought asks whether urbanization is organically connected to capitalism. If so, what is its relationship to industrialization? Are urbanization and industrialization two distinct processes, which historically connect with each other only in the advanced capitalist societies? Or are there different kinds of urbanizations due to variations in kinds of industrialization? Are these variations related to patterns that are restricted to the developed as against the underdeveloped countries? How would we assess the Indian urban experience in this context? If ‘industrialization’ can be said to have been the first great and continuing revolution in recent times, then certainly the world’s second great recent and continuing revolution is ‘urbanization’. Although urbanization has a long history, spread over 4,000 years, it began to make rapid strides and to bring about large-scale and fundamental changes in society. Therefore, many of the aspects and problems of the societies of today, including that of India, become significant when viewed from the perspective of urbanization. However, it is essentially a process of population redistribution from the rural to the urban communities, and from one region to another. These aspects of population redistribution and social

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Here we are considering Culture is that complex whole which includes knowledge, belief, art, morals, laws, custom and other capabilities and habits acquired by man/ woman as a member of society.
differentiation are also fraught with the possibilities of generating various kinds of social problems, including the ones pointed out above.

1.1 Scope of Work and Major Challenges

The urban phenomena have not received due attention from scholars till 1960s in developing countries. Rao (1974) suggested two main reasons for this neglect: first, the predominant view among the sociologists that the distinction between rural and urban sociology is not meaningful in India due to its lower level of urbanization; and second, the argument that in the Indian context, there was no dichotomy between the traditional city and the village, as both were the elements of the same civilization. There were large agglomerations in the ancient world, even some with high density. The latter, however, was structurally more like massed villages, rather than urban, in the sense with which we were familiar up to 1980s. Generally, these examples of urbanization in newly developing countries are associated with industrialization, though the degree of association, especially the causal degree of association, has varied greatly or even not existed. For example, in some cases rather large urban areas have developed which were not industrial in character, but were colonial, administrative or marketing centres largely developed by the initiative of foreigners; in other words, these areas were characterized by a kind of urbanization that was externally imposed. The term industrialization has frequently been confused or used interchangeably with urbanization. In some parts of the world industrialization and urbanization have gone hand in hand and have developed together. Elsewhere industrialization has been very recent. Still in other countries, urbanization and industrialization are both very much in the process of developing and one may eventually exceed the other. It is possible, as was true in the very early appearance of large cities in China, for example, to have large agglomerations of people at relatively high densities without industrialization; it is also possible to have industrialization without a high level of urbanization. The terms are not interchangeable. Furthermore, there is no necessary correlation, between industrialization and urbanization, though they do tend to take place at much the same time. In countries where this does not occur, leaders make every effort to introduce industrialization at as rapid as
possible to large cities. The excess to urbanization over industrialization that makes it not possible to provide employment for all persons coming to urban areas is sometimes leads to over-urbanization. Economist observed that the undeniable evidence is there that the urbanization in newly developing countries is appearing not only in larger magnitudes but in bigger and bigger units, that is, not only there is more and more urban population but there are also more places which are urban and they are becoming larger and larger. This is a world-wide phenomenon. The impact of urban growth may be even greater in the underdeveloped countries than in the industrialized nations.

The relationship between industrialization and urbanization in newly developing countries or LDCs has been the subject of much research and extensive publications in 1950s to 1970s. Many different aspects of industrialization as related to urbanization in newly developing countries were discussed throughout studies. It is extremely important that under ‘Sociology’ subject matter, this topic is in syllabus broadly under ‘Indian Society’ paper with a special emphasis on Growth of Urban Settlements in India and Working Class Growth Structure, yet, in ‘Economics’ subject matter, there is a topic of New Economic Policy and Industry: Strategy of Industrialization broadly under ‘Indian Economy in Post Liberalization Era’ paper’s syllabus of the competitive examination of IAS (Employment News 11-17 February 2012). It is perhaps appropriate here, in this strategic basic research, to deal only, on prima facie, with the broader general question of the relationship between industrialization and urbanization in post 1990s after export promotion new

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industrialization strategy was introduced in India\(^v\). There has been much remarkable observation to the effect that there is a direct correlation between the development of urbanization and the development of industrialization, each being cited by different authors as being the “cause” of the other. Although there is often a coincidence of industrialization and urbanization, the reasoned relationship are not at all clear. The subject is somewhat confused by the fact that certain common features of industrialization—such as the extensive division of labour—are found in countries that are relatively un-industrialized. In spite of that difficulty and lack of success in establishing close or reasoned relationship between industrialization and urbanization, it is still evident that there is a substantial impact of industrialization on many aspects of urbanization. Industrialization is likely to affect, in a very significant way, not only the rate of growth of particular urban areas but also the type of growth in urbanization, as well as the relative level of economic development involved in urbanization (*Breese G 1966*).

The crucial importance of careful planning of industrialization for the future is suggested by Wilbert E. Moore (1961) who observes:

> “The correlation of industrialization and urbanization is not perfect in any event. Large cities have developed in many countries as “cultural” and government centers, as “overgrown villages” of agriculturists, as residences of absentee landlords, and as centers of trade. Much of the future economic growth will probably be centered in these urban areas, simply because they are there and provide both pools of labor and various public facilities. Continued urbanization, including the growth of new population centers, is to be expected.”

The relation between industrialization and urbanization is complicated by the fact that there is not necessarily a suitable, or most appropriate or optimum, timing in the rate of urbanization and the rate of industrialization, even

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\(^v\) See Chapter 4, “Some Relationships between Industrialization and Urbanization and Government (Central and State) Policies with Special Reference of Export Oriented Units; and Effects of Globalization on Women Employment and Wages in Indian Urban Society,” following
assuming they proceed at equivalent levels. Contemporary urbanization almost invariably precedes industrialization except in obvious cases such as the establishment of “New Towns” antagonist the creation of steel mills/ steel cities and similar installations. One of the major development questions in these countries is whether and when it may be possible for industrialization—in terms of producing jobs—to catch up with urbanization. The narrowing of this gap is one of the prime objectives of economic development planners, and has become so important that it is likely to dominate the allocation of resources in early stages of development. The variation of the relationship between industrialization and urbanization are obviously significant in the question of creating a typology or classification of city.

It is apparent that early stages of industrialization in newly developing countries (such as India) may be characterized by focus on manufacturing of consumer goods, involving mostly light industrial operations. Later stages involving heavier industry are likely to be more directly related, location-wise, to the existence or availability of raw materials and sources of power as it was in India in 1960s and 1970s. It is because of the locations at which these different levels of industrial development can take place efficiently, the distribution of the appearance of industrialization, and the extent of the process, that planners for economic development in newly developing countries have a very high interest in the industrialization process itself. These planners customarily examined the course of industrialization in western countries with great care, but it has never been clearly shown that it is possible to make reliable projections as to what will happen in a newly developing country on the basis of the experience of western nations where industrialization began under quite different circumstances. Under these circumstances, the work adopted in this thesis categorically with primary data\(^*\), is to seek for an industrialization as well as urbanization drive to provide employment, and,

\(^*\) See Chapter 5 based on primary (field survey by questionnaire, given in appendix of this thesis) data, “Case Studies of Selected Urban Centres in India.” Following
instinctively, the pattern of wages/salaries\(^*\) (Refer Endnote in this chapter at page 28) to find an answer to the causes of wages and salary discrimination, if any.

### 1.2 Background of the Study

The LDCs, consisting of ex-colonial newly independent countries wished to traverse the development trajectory should replicate the recent history of the advanced countries of the West. It must, therefore, first, open its economy and trade internationally on the basis of comparative advantage, that is, in primary products. Second, it must modernize its economic, social, and industrial structures. Third, it must industrialize; and, Fourth, it must urbanize. In recent years, since the last two decades, industrialization has been playing a pivotal role in any developing economies and India is no exception. The decentralized pattern, if it is, of industrialization and its product- a service output in which India has a comparative advantage - is growing at a rather fast pace, especially as a result of, to a large extent, liberalization and globalization. India’s economic growth rates have not yet reached East Asian levels but the annual average growth rate of GDP increased from the 3.5% of the 1950s, 1960s and 1970s to 5.6% in the 1980s, 6.2% in the 1990s and 6.6% (The Indian Express, August 18, 2011) in the new millennium. India’s economic growth since the 1970s has been largely led by urban areas. Correspondingly, while India’s industrial and service sectors\(^*\) (Refer Endnote in this chapter at page 28) contributed to 45% of the GDP in 1961, this grew to 70% of GDP in 1981, and by 2001, these sectors accounted for almost 80% of India's GDP. At the sub-national level, the more urbanized states in India such as Tamil Nadu, Karnataka have recorded higher economic growth rates. Cities have been in the forefront of economic growth in the past few decades. More than half the GNP originates in urban areas, while more than 90% of the Government’s revenue also comes from the cities. The four major metropolitan cities\(^\text{**}\) alone contribute more than 70% of the income tax

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\(^*\) Metropolitan City should have following features

1. Stock exchanges
2. Five star hotels
3. Head offices of major business houses
4. Head offices of national associations doing public service
5. Head offices of public sector corporations
6. Head offices of banks/insurance companies
7. Specialized private hospitals
8. Shops for specialized equipment—medical, engineering, electronic goods
revenue to the national level. Further, at the city level in India, larger cities in these faster growing states have grown rapidly—Chennai (services) and Bengaluru (industry and services). Services sectors dominate India’s GDP share in the 1990s. With the economic reforms of the 1990s, and the move towards a steadily liberalized and open economy, quick developments in communication technologies have had to greater efficiency in the export of some services earlier thought to be non-tradable. This has started to make a significant contribution to the economic growth of the country. India has emerged as a leader among developing countries in providing cross-border IT services. Although the IT industry in India has more than three decades of history, its take-off into a major software business is a recent phenomenon. The IT industry has grown from US$ 1 billion (or 0.3% of GDP) in 1990/91 to US$ 9.6 billion (or 2% of GDP) in 2001. The industry is predicted to grow to US$ 87 billion by the year 2008 as per Nasscom-McKinsey Study in 2001. Out of India’s total exports, the share of IT products (mainly software) has increased from 1% in the early 1990s, to 18% in 2001. The recent encouragement of FDI in the sector has further spurred growth. The cities like Bengaluru, Hyderabad, Chennai, Mumbai and Pune have emerged as competitive IT hubs. Key factors in this take-off have been the existence of a skilled, English speaking workforce, and the fact that the software industry was not part of the license raj regime. Computer-software and data-processing services created more new jobs in the year 2006 than any other business sector in India, which has harnessed its low-cost educated labour to build a remote-office industry, according to the results of a survey of International Herald Tribune, April 2006. According to the finding of the survey, "The software sector is poised to become a $60 billion industry in 2010, providing direct employment to more than 2.2 million people and nearly thrice that number by way of indirect employment". The software and services industry have transformed cities such as Bengaluru, Chennai as well as Gurgaon, which is on the outskirts of New Delhi. Companies based in and around New Delhi, which has
Industrialization and Urbanization: An analytical study ……………………since 1991

wider road connectivity and more affordable housing than Mumbai, sought to fill 24% of total jobs on offer, according to the survey. Mumbai trailed with 22%. Slower job additions in the financial sector, which is dominated by Mumbai, caused the city's ranking to drop from the previous year's survey, although the nation's two biggest stock exchanges and the Indian central bank are located in Mumbai. Services are, today, the dominant sector in the Indian economy and estimates from the Ministry of Commerce and Industry claim that it contributes 54% of GDP. India's share in world trade of commercial services is increasing at a fast pace; in 2005 it ranked among the top ten exporters of commercial services. Indian services companies are now aggressive exporters of software, health, telemedicine, call centres, medical and legal transcriptions and other knowledge based services. It is the global competitiveness of this Indian business that has driven and determined the Indian offensive interest in services because much of the electoral base of India's politicians. In services, however, because of lack of opposition from services trade unions, the Commerce Ministry has been able to bulldoze through an aggressive agenda with the active support of Indian services companies.

Urbanization, generally, is not a byproduct of economic growth, but is it an integral part of the process? As in most countries, India’s urban areas make a major contribution to the country’s economy. Although less than one-third of India’s people live in cities and towns, these areas generate two-third of the country’s GDP and account for 90% of Government revenues, mentioned above. The total urban population of the world was not more than 250 million in 1900, less than 15% of the total. The Indian urban population today is itself greater than this number. A hundred years later, in 2000, the world's urban population had increased to almost 2.9 billion, about 47% of the total. India has had a relatively slow but stable rate of growth in its urban population since 1921, during which the level of urbanization has increased slowly from 11.2% to about 27.8% in 2001. Although the total urban population had increased more than 11 fold between 1901 and 2001 and it is from about 26 million to 285 million, the numbers of settlements increased by just 140% to 4,378 from 1,830. India’s towns and cities have expanded rapidly as increasing numbers migrate to towns and cities in
search of economic opportunity. Total area in India is 135.79 million squares Km which is 2.4% of total land area in world (7th in the World), and, in 2011, 17.5% of world population is living in India (The Times of India 1st April 2011). Now in 2011, India’s total population is 121 crores and its decadal growth rate is 17.64% in 2001-2011 which was 21.54% in 1991-2001 and 23.87% in 1981-1991 (Yojana July 2011). And the rate of increase in annual population in 1991-2001 was 1.97% and it will decrease upto 1.64% in 2001-2011 (Yojana January 2012). On the other hand, a study is showing that within 2015, 80% of the largest city will be agglomerate in developing countries (Konar 1999). And, by 2021, 73% of the Indian GDP will come from Urban India. It also shows that Indian GDP is gradually dependent on increasing share from urban India, i.e., 47% to 55% and up to 65% throughout the last three decades. In comparison to urban rural demographic trend, there is a projection that, within 2025, urban population in India will exceed the rural population and it will reach 700 million. On the other hand, rural population will gradually stagnate. It is estimated in Census 2011 that by 2030, Indian population will exceed China’s population. The gap between populations of two countries was 238 million in 2001 Census of India and it now comes down to 131 million as per Census 2011 of India. During 2001 to 2011, the annual average increase in number of population in India is 180 lakhs whereas in China the figure is 63 lakhs (Yojana July

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**Some Basic Facts of India’s Urbanization: 2011**

Total urban population

- 1210.20 million
- Combined total population of USA, Indonesia, Brazil, Pakistan, Bangladesh, Japan
- % of world’s population (17.5)
- Total no of cities 7.935 compared to 5,161 in 2001

Total urban population

- 377.1 million
- % of total population of India (31.16)
- % of world’s urban population (17.2)
- % of Asia’s urban population (21.10 approx.)
- Larger than the total population of small countries like France, Germany
- Larger than the total population of big countries like Brazil, USA
- Larger than the total population of parts of continents like Eastern Africa, Western Asia, Western Europe.
- Larger than the total population of whole continent of Australia

Total population of 53 million-plus cities (it was 35 in 2001)

- 160.1 million
- % of total urban population (37.2 approx.)
- These 53 cities belong to the large group of 206 million-plus cities of Asia

Total population of 775 Class I cities including Million-plus cities/UAs

- 230.4 million
- % to total urban population (68.4 approx)
Indian annual average rate of growth of population in 1980-1990 was 2.1% and it went down to 1.8% in 1990–2001. But in China, in this period, this indicator’s value had fallen from 1.5% to 1.1%. A report published that by 2016 Indian population would be 126.83 crores (Tata 2003). In Census 2011, it is estimated that by 2021 Indian population would be 135 crores and it would reach 165 crores by 2051. Moreover, from 2001-2021 Indian annual average rate of growth of population would be 1.44% and from 2021-2051 this would come down to 0.68% (Yojana July 2011). It has been estimated that by 2030, 41.4% of India’s population will be living in urban areas, which would mean an additional population of 300 million people will be added to India’s cities and towns. Other than this, it has been projected that by year 2030, there will be 70 cities with more than a million inhabitants, which will expectedly house close to half of the urban population then, from a number which stands at 35 in 2001. Also it has been projected that the Mega cities of today will continue to grow and by 2015 the six cities (Mumbai, Delhi, Kolkata, Chennai, Bengaluru, Hyderabad), will have a population close to 84 million, with the largest cities of Mumbai and Delhi having more than 30 million residents each by 2030. The projections help us to understand the daunting tasks before the urban policy makers and urban infrastructure service providers. Besides meeting the huge challenge that is emerging due to increase in services standards demanded by citizens, cities and towns will also respond to the huge increase in numbers of people who will be added to urban areas in the coming decades. In this context, enhancing the productivity of urban areas is now central to the policy pronouncements of the Ministry of Urban Development. Cities hold tremendous potential as engines of economic and social development, creating jobs and generating wealth through economies of scale. They need to be sustained and augmented through the high urban productivity for country's economic growth. For Indian cities to become growth oriented and productive, it is essential to achieve a world class urban system. This in turn depends on attaining efficiency and equity in the delivery and financing of urban infrastructure. In any developed nation, urbanization has come about as a result of industrial development. Since industrial revolution history witnesses the interaction between urbanization and
industrialization, higher urbanization being regarded as one of the indicators of industrial development.

The technology choice or product composition in the country's industrialization could also lead to lower absorption of labour in urban areas. It is possible that this may have been caused by a faulty customs tariff structure providing greater protection to capital using industries (Kelkar and Kumar 1990). The growth in industrial employment has not been commensurate with the growth in industrial output and value added in the 1980s and 1990s in India. Possible reasons could be the tightening of labour legislation accompanied by expansion of small scale industry reservations in the late 1970s. As argued by Mohan (2002) in a presentation in the 2000 Stanford Conference, these policy rigidities could have had a major role in the slow-down of growth in manufacturing output as well as in employment. Industries were not permitted to locate within any urban area until the industrial policy reform of 1991, when this restriction was lifted except in million plus cities. The idea was to encourage dispersal of industrial activity. But in effect, industries were denied the economic benefits of urban agglomeration effects, and thus rendered to be more inefficient. It is also possible that industries became more capital intensive, as a result, since skilled labour is generally more difficult to get outside existing urban areas. Industrial employment growth suffered overall, and in urban areas in particular. In India, however, the function of cities as entrepreneurial incubators has been inhibited by its perverse industrial location policies, thereby, imposing additional costs on its emerging industrial firms and slowing down both manufacturing industrialization and its immediate effect on urbanization. The prejudice against industrial location in cities in India continues. On the basis of new industrialization strategy a new opening on service delivery market has been emerged. The twin processes of industrialization and urbanization in developing societies can be viewed from opposing standpoints (Detailed in Chapter 4). The essentially optimistic assessment of the internal dynamics of fast-growing urban conglomerations focuses on the economic advantages and employment opportunities offered by big cities attracting large-scale migration from villages in major states since 1990s and engaged themselves
in non-agricultural trades. We all know about a convention, though there is a serious research gap, that industrialization may lead to urbanization and any urbanization process will accentuate economic growth (*Detailed in Chapter 5*). Hence there are lots of scopes to analyze the data, both primary and secondary, in this work.

### 1.3 Objectives of the Study

The objectives of the study will be-

i) Growth and development of non-agricultural trade, especially urban based, under new industrialization strategy.

ii) Impact of this development on gender based economic pattern in urban India.

iii) Analysis of investment and location pattern from the suppliers of new industry.

iv) Impact of development on employment pattern and wages of male and female workforce engaged.

### 1.4 Sources of the Data and Terms of Reference

1. To conduct a sample survey of–
   a. City based employers (or stakeholder) in the new industrial environment and/or
   b. City based lower and middle level employees (or beneficiary) from this industry.

2. To use statistical techniques (Descriptive and Inferential Statistics as and when required) applied both in secondary and primary data, mainly, in cross-

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*a See Chapter 3, “Globalization, Liberalization and Industrialization in India – A Brief Note.” following*
sectional primary data as far as possible to highlight the socioeconomic situation of India and the Indian industry.

3. To collect primary data on qualitative [categorical observations] and ranked [ordered observations].


7. Secondary Data from Published and Working Paper on Various Researches.

1.5 Methodology

There is a pitfall of a statistical and quantitative approach to the study of urban problems. Quantitative methods are essentially tools of analysis and are not by themselves capable of generating a theory or even offering meaningful explanations for urban problems. This study of the factorial ecology of cities where sophisticated statistical methods are to be used, as and when required, producing facile generalizations. The methods of problem solving are comparison of more than two Populations and analysis of relationship among more than Two Variables/Attributes.

1. Case studies of sample cities like Delhi, Kolkata, Chennai and Bengaluru.

2. The hypothesis should be tested by statistics (by descriptive statistic as and when required) on the major states of India.

3. The hypothesis (mainly from non-parametric data in nature) should be tested (by inferential Statistics) for the selected city statistics.

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* In this study a set of Cross-sectional data had been collected from city based field survey. Cross-sectional data generated at one point of time/ time-interval across cross-sectional units. That means a Cross-sectional data set is one that follows a given sample of individuals at a limited/ particular time, and then provides single observation on each individual in the sample. It is of special importance to obtain original primary survey data to answer to many significant and important questions what is usually emerged in researchers’ mind. Cross sectional data usually give the researcher a large number of data points, increasing the degrees of freedom hence improving the efficiency of estimates and compare (study variance) two or more than two samples. We only have one observation per person and the variance in outcomes comes from variance across individuals, i.e., individual-specific factors or otherwise individual and time specific factors.
1.6 Research Hypothesis

1. This new industrialization (industrial development) strategy has nothing to do with promotion of mass urbanization.
2. It has an adverse effect on legal, political and resource allocation pattern and, on the other hand,
3. It is distorting the social and cultural profile in post liberalization period.

1.7 Approach to the Thesis

In this thesis, chapter 1 is for introduction, chapter 2 is for existing review of literature, and chapter 3 is for finding observation on employment in Globalization and Liberalization era especially in non-agricultural trade. Mainly, it is emphasized to study the first two research objectives of the growth, development and impact on gender based economic pattern in urbanization. Chapter 4 is focusing on the pros and cons of these two issues and their socio-economic impacts in Indian context to study and to establish the long run sustainability of this new industrialization strategy from the viewpoint of land use planning, export promotion (service oriented), legal and political structure of the nation and, as well as, resource allocation and investment pattern in this regard in India. Chapter 5 is for case studies of major cities like Delhi, Chennai, Kolkata and Bengaluru to study the fourth research objectives, moreover, a primary data based studies on remaining objectives, and chapter 6 is for concluding remark and possible suggestion for urban planning. In the ultimate analysis, the decision makers or policy makers and socio-economic planners to be feel free to explore more to innovating socio-economically viable, sustainable industrial policy and regional planning. It may facilitate in devising a long-term policy towards developed welfare State. Given rapid urbanization and economic industrialization during the liberalization period since 1991 such a study is important in undertaking the process of economic transformation in Indian States.

1 Testing Research Studies: Here we test the hypothesis of causal relationship. So the design should be such that it increases reliability and permits drawing inferences about causality. Estimating economic relationships from sample data and testing hypotheses about how economic variables are related and to draw the existence of relationships, the direction of the relationships and the magnitude of the relationships.
Introduction

Wage inequality is the difference between men’s wages and women’s wages, the so-called “gender pay gap”. For in the light of the recent findings on what determines people’s levels of satisfaction. Population studies show that subjective perceptions of happiness depend more on how an individual’s income compares with those of other people than on the absolute level of their income (including other source of income). Wage inequality is the difference between men’s wages and women’s wages, the so-called “gender pay gap”. In majority of countries, women’s wages represent between 70 per cent and 90 per cent of men’s wages. A major challenge for the future is to ensure that men and women doing work that is different but of equal value are remunerated equally. This is the principle of “equal work of equal value”. Indeed, there appears to be a persistent, and even increasing, pay gap between men and women engaged in similar work, especially in professional and executive level jobs and skilled trades (Global Wage Report 2008-09). Studies show that entry level wages tend to be lower for women that for men especially for skilled workers. Such increases in wage inequality certainly require policy attention. In this study it is estimated how much this inequality persists in urban India.

** (Refer to page no.19) ‘Wages’ or in other terms ‘Salaries’ are the total remuneration received by employees for a given period, which includes payments for time not worked (such as for annual vacations) and regular bonuses. In principle, “wages” refers to gross earning, therefore wages differ from employees’ disposable take-home pay (which is what remain of wages after taxes, pensions and social security contributions, and other deductions). Wages also differ from employers’ total labour cost which can include employers’ contributions to social security, pension schemes or the cost of vocational training. Indeed, wages/salary are only linked to so called “paid employment”, which excludes all self-employed people such as employers (though in public/ private limited company the employer is Share Holders and management stuffs are paid employees), own account workers, contributing family. Recent trend shows that “paid employees” (or in short “employees”) account for about half of global employment. The incidence of paid employment in women’s total employment has been growing as well, although with significant variations by region. This suggests that, overtime; wages/ salaries will become an ever more important dimension of total employment related income. It is interesting to note from recent trend that the upward trend in wage employment was accompanied by a sizeable decline in the share of contributing family workers, which reflects the declining proportion of employment in the agriculture sector. It is widely accepted that wage compensation needs to reflect worker’s contributions and performance. Since these inevitably show individual variations, it follows that wage inequality is a fairly “natural” aspect of economic reality. At the same time, for much inequality may not be acceptable on moral, social or political grounds. This point is of importance for public policy, particularly in the light of the recent findings on what determines people’s levels of satisfaction. Population studies show that subjective perceptions of happiness depend more on how an individual’s income compares with those of other people than on the absolute level of their income (including other source of income). Wage inequality is the difference between men’s wages and women’s wages, the so-called “gender pay gap”. In majority of countries, women’s wages represent between 70 per cent and 90 per cent of men’s wages. A major challenge for the future is to ensure that men and women doing work that is different but of equal value are remunerated equally. This is the principle of “equal pay for work of equal value”. Indeed, there appears to be a persistent, and even increasing, pay gap between men and women engaged in similar work, especially in professional and executive level jobs and skilled trades (Global Wage Report 2008-09). Studies show that entry level wages tend to be lower for women that for men especially for skilled workers. Such increases in wage inequality certainly require policy attention. In this study it is estimated how much this inequality persists in urban India.

** (Refer to page no.19) Service led growth itself demand to elaborate its sectors and sub-sectors. Sectional Classification of Service-Industry and its sub sectors are as follows.

1. Business services
   A. Professional Services.
      a) Legal services b) Accounting, auditing and book keeping services. c) Taxation services d) Architectural services.
      e) Engineering services. f) Integrated engineering services g) Urban Planning and landscape architectural service.
      h) Medical and Dental services. i) Veterinary services. j) Services provided by midwives, nurses, physiotherapists and para-medical personnel.
      k) Others.
   B. Computer and Related Services.
      a) Consultancy services related to the installation of computer hardware. b) Software implementation services c) Data processing services.
      d) Database services. e) Others.
   C. Research and Development Services.
      a) R & D services on natural sciences. b) R & D services on social sciences and humanities. c) Interdisciplinary R & D services.
   D. Real Estate Services.
      a) Involving own or leased property b) On a free or contract basis.
   E. Rental / Leasing Services without Operators.
      a) Relating to ships. b) Relating to aircraft. c) Relating to other transport equipment. d) Relating to other machinery equipment. e) Others.
   F. Other Business Services.
      a) Advertising services. b) Market Research and Public opinion polling services. c) Management consulting services.
      d) Services related to management consulting. e) Technical testing and analysis services. f) Services incidental to agriculture, hunting and forestry.
      g) Services incidental to fishing. h) Services incidental to mining. i) Services incidental to manufacturing.
      j) Services incidental to energy distribution. k) Placement and supply services of personnel. l) Investigation and security services.
      m) Related scientific and technical consulting service a) Maintenance and repair of equipment services. (Not including maritime vessels, aircraft or other transport equipments). o) Building cleaning services. p) Photographic services q) Packaging services. r) Printing and publishing services.
      s) Convention services. t) Others.
   2. Communication Services
      A. Postal services
      B. Courier services.
      C. Tele-communication services.
      a) Voice telephone services. b) Packet - switched data transmission services. c) Circuit - switched data transmission services. d) Telex services.
      e) Telegraph services. f) Facsimile services. g) Private lease circuit services. h) Electronic mail services.
      i) Voice mail services. j) On-line information and data base retrieval services. k) Electronic data interchange services.
1. Enhanced values added facsimile services. (Including store and forward, store and retrieve) m) Code and protocol Conversion services.

n) On-line information and / or data processing (including transaction processing) services. O) Others.

D. Audio Visual Services.
a) Motion picture and video tape production and distribution services. b) Motion picture projection services. c) Radio and television services.
d) Radio and television transmission services. e) Sound recording services. f) Others.

3. Distribution Services:
A. General Construction work for building. B. General construction work for Civil Engineering. C. Installation and assembly work.
D. Building completion and finishing work. E. Others.

4. Financial Services:

5. Educational Services:
A. Primary Education services. B. Secondary Education services. C. Higher Education services. D. Adult Education services. E. Other Education services.

6. Environmental Services:
A. Sewage services. B. Refuse disposed services. C. Sanitation and similar services. D. Others.

7. Health - Related and Social Services:
(Other than those listed under I. A h-i)
A. Hospital services. B. Other human health services. C. Social services. D. Others.

8. Transport Services:
A. Maritime Transport Services.
a) Passenger transportation. b) Freight transportation. c) Rental of vessels with crew. d) Maintenance and repair of vessels.
e) Pushing and towing services. f) Supporting services for maritime transport.

B. Internal waterways transport services.
a) Passenger transportation. b) Freight transportation. c) Rental of vessels with crew. d) Maintenance and towing services.
e) Supporting services for internal waterways transport.

C. Air / Rail / Road transport services.
a) Passenger transportation. b) Freight transportation. c) Rental of aircraft (Commercial vehicles) with crew (operator)
d) Maintenance and repair of aircraft / rail / equipment / road transport equipment. e) Pushing and towing services for rail transport.
f) Supporting services for air transport / rail transport / road transport services.

D. Space transport services.

E. Pipeline transport services.
a) Transportation of fuels. b) Transportation of Other goods.

F. Services Auxiliary to all modes of transport
a) Cargo-handling services. b) Storage and warehouse services. c) Freight transport agency services. d) Others.

9. Tourism and Travel Related Services
A. Hotel and Restaurants (including catering) B. Travel agency and tour operator services. C. Tourist Guide services. D. Others.

10. Recreational, cultural and sporting services.
(Other than audio visual services)
A. Entertainment services (including theatre, live bands and circus services) B. New agency services. C. Libraries, archives, museums and other cultural services. D. Sporting and other recreational services. E. Others.

A. All insurance and insurance-related service.
a) Life, accident and health insurance services. b) Non-life insurance services. c) Re-insurance and retrocession.
d) Services auxiliary to insurance (including brokering and agency services)

B. Banking and Other Financial Services (excluding insurance)
a) Acceptance of deposits and other repayable funds from the public. b) Lending of all types, including consumer credit mortgage credit, factoring and financing of commercial transaction. c) Financial Leasing. d) All payment and money transmission services.
e) Guarantees and commitments. f) Trading for own account or for account of consumer, whether on an exchange, in an over-the-counter market or otherwise, the following:
— derivative products including, but not limited to, futures and options.
— exchange rate and interest rate instruments, including products such as swap, forward rate agreements, etc.
— transferable securities.
— Other negotiable instruments and financial assets, including bullion.
g) Participation in issue of all kinds of securities, including under writing and placement as agent (whether publicly or privately) and provision of service related to such issues.
h) Money binding. i) Asset management (including pension, custodial depository and trust services) j) Settlement and clearing services, for financial assets. k) Advisory and other auxiliary financial services on all the activities, including credit reference and analysis, investment and portfolio research and advise, on acquisitions and own corporate restructuring and strategy. l) Provision and transfer of financial information and financial data processing and related software by providers of other financial services.

C. Others.

12. Other services not included elsewhere.