

## **Social Category-based Segmentation in the Labour Market in the Manufacturing Industries in India: From 2004-2005 to 2011-2012**

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*The paper looks into the trends of how labour market returns differ among the different social categories in the manufacturing sector in India over 2004-2005 to 2011-2012. It finds that despite a decline in the gap in shares of employment between forward caste and backward caste workers, the wage gap between them didn't come down because of a rise in intra-occupational wage gap in the high-wage, high-skill occupations. The actual wage gaps between them are often an underestimation of the extent of deprivation. Among backward caste workers, scheduled caste workers are worse off than other backward caste workers. The labour market is more discriminatory against the former in urban areas compared with rural areas in the formal sector vis-à-vis the informal sector, and in public/private limited enterprises as against other enterprises.*

### **I Introduction**

This paper considers two main questions. The first question is whether caste-based discrimination with respect to the wage level and finding employment in high-wage, high-skill occupations has changed over 2004-2005 to 2011-2012. The second question is whether caste-based discrimination and the trends of changes in it with respect to either the wage level or finding employment in high-wage, high-skill occupations differ between formal<sup>1</sup> and informal sectors, between rural and urban areas and among the different types of enterprises.<sup>2</sup>

Backward caste (henceforth BC) workers here refer to Other Backward Caste (henceforth OBC) workers and Scheduled Caste (henceforth SC) workers. Scheduled Tribe (henceforth ST) workers are not considered here because of their low representation in this particular section of workforce.

The database is the employment and unemployment surveys of 61<sup>st</sup> and 68<sup>th</sup> rounds of National Sample Survey Organisation and this study is confined to manufacturing sector workers only. The latter are divided into white-collar, pink-collar and blue-collar workers according to the skill and wage levels in these

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