

The Gaping Gaps in Labor Statistics in India

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Labor Statistics in India is largely derived from the administration of labor laws and in some cases even its conceptual basis has been derived from the labor law concerned. The labor statistics is collected by two primary agencies, viz. the Labor Bureau and the Central Statistical Organization (CSO). The statistical system was designed during the command economy and contextualized in a not so-well developed non-agricultural sectoral economy. The structural changes in the economy and labor market and the significant changes concerning the economic and labor market policies in the post-globalization period have impacted significantly the labor statistics. As a result of these and other factors serious gaps exist in the labor statistics.

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ILO Statistical Conventions

India has ratified the ILO Labor Statistics Convention, 1985 (C. 160) in 1992 which requires the ratifying member countries to produce and update labor statistics covering several variables on a periodical basis and in such a way “as to be representative of the country as a whole, covering where possible, all branches of economic activity”. India has also ratified ILO Labor Inspection Convention, 1947 (C.81) in 1949 (excluding part II, which relates to services). As a ratifying country of the convention, India should have in its place a statistical system relating to labor inspection.

Further, the 19 International Conferences of Labor Statisticians have taken place so far and the recent one was in 2013 which dealt with statistics of work and employment (<http://www.ilo.org/global/statistics-and-databases/meetings-and-events/international-conference-of-labour-statisticians/19/lang-en/index.htm>, accessed 27 September 2014). The 14th International Conferences of Labor Statisticians in 1987 dealt with strikes/industrial disputes (http://www.ilo.org/public/libdoc/ilo/1987/87B09_176_engl.pdf, accessed 27 September 2014) among others. It is not

possible to keep track of the action taken by the statistical agencies in India pertaining to the deliberations in recent times. As an example, it can be said that the Labor Bureau has not taken notice of the deliberations in that Conference as there is no significant official recasting of statistics on industrial disputes by it.

Labor Statistics

Labor statistics is primarily published by two government agencies at the national level, the Central Statistical Organization (CSO) of the Ministry of Statistics and Programme Implementation and the Labor Bureau, attached with the Ministry of Labor and Employment. The comments here are on some of the labor statistics published by the Labor Bureau. In the case of these statistics, the central labor administrative agencies concern the central sphere and the state labor departments deal with the state sphere. The statistics relating to factories, earnings of workers, trade unions, industrial injuries etc. are collected statutorily and those on industrial disputes voluntarily. The statutory statistics are a part of the labor administration and derive from the respective labor laws. The validity and the relevance of labor statistics have always been questioned (e.g. Shyam Sundar, 1994); however, they have suffered severe blows in the post-reform period. The Ministry of Labor appointed a Committee under the chairmanship of Prof. L.K. Deshpande in 1999 to look into the issues relating to the improvement of labor statistics. But there is no official account of the action taken on it.

The labor statistical system was conceived during the command economy regime and in the then prevalent contexts of sectoral and the institutional composition of the Indian economy. While tremendous changes have taken place in both the institutional and sectoral composition of the economy, the conceptual and schematic basis of official labor statistics have remained virtually the same. For example, it is well known that the unorganized sector accounts for a lion's share of the total workforce. Though the Labor Bureau conducts several surveys concerning some aspects of the unorganized sector workers, there is no pattern in it. It has not created a statistical system concerning the unorganized sector and the data base that we have relating to this sector comes from the National Sample Surveys by the National Sample Survey Organization (NSSO).

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In the case of the organized sector, the inadequacies can be demonstrated by taking a couple of industrial relations variables. For example, a number of labor protests take in the unorganized sector consequent to both the expansion of it and significant rise in the organization of these workers (Datt, 2008). Since the statistical system concerning industrial disputes is driven by the Industrial Disputes Act, 1947, these protests and conflicts are not covered. It is well-known that the working class movement has undergone significant changes as new

forms of trade unions and workers' organizations like National Association of Street Vendors (NASVI), non-affiliated trade unions (known as independent or enterprise trade unions) have emerged as significant players. The trade unions statistics published by the Labor Bureau is hardly helpful to understand these changes. Of course, the official data will not throw any light even on the officially recognized central trade unions, which aspect is covered by the periodical membership verification surveys implemented by the central labor machinery. The rigidities in the classificatory systems disallow any meaningful capture of the changes taking place in the organizational aspects of working class.

Trade Union Statistics

It is another story that this process is riddled with shortcomings, not the least is the litigatory obstacles stalling the processes. The latest data base concerning the verified membership of central trade unions relates to 2002 and it is a matter of concern that the researchers in 2014 still use this data base to understand a partial segment. There was not any statistics on the membership base of the Labor Progressive Federation of DMK unless it qualified to be a central trade union. We need to wait for the elevation of other regional trade union power houses like Bhartiya Kamgar Sena (affiliated to Shiv Sena) in Maharashtra or

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others to the status of CTUO to get information on them.

The official statistics on trade unions and collective bargaining disputes do not provide much light on either the comprehensive aspects of old regime or reflect changes taking place from time to time. For example, commentators like Ramaswamy (1988), VenkataRatnam (2003) have spoken of the significant changes taking place in the collective bargaining system in India. While these researches are based on field survey or contents analyses of collective agreements, there is absolutely no hard data such as the collective bargaining coverage, i.e. the proportion of total workers or even the unionized workers who are covered by collective agreements. In the developed countries significant amount of information exists on this variable. Late Prof. C.S. VenkataRatnam derived the figure of collective bargaining coverage by informed understanding and guesses using elimination technique, i.e. deduct the employees who are in government service (excluding employees in public sector enterprises), informal sector workers and so on who do not enjoy any right to collective bargaining from the total workforce to arrive at the rate as about 2 percent (www.sagepub.com/upm-data/46892_Bamber_Ch_13_India_slides.ppt, accessed 27 September 2014); it refers to 1996 – it may interest the readers to know such an exercise was conducted thanks to the preparation of the ILO Report on Industrial Relations (ILO, 1997).

Similarly, the data on the industrial injuries presently cover albeit poorly the

manufacturing sector, mines, railways and docks. It leaves out the traditional sectors like plantations, construction and the emerging sectors like service sector, especially the information technology (IT) and IT-enabled services (ITES) sectors where the incidence on occupational hazards are significant (D’Cruz & Noronha, 2013).

Statutory Statistics

Much of the statutory statistics are derived from administrative purposes of compliance with the law and hence if labor laws do not cover a sector or a hazard or a type of worker or a type of industrial action then they would not be covered in the official statistics. There is a serious need to look for an alternative source of official statistics. Most of the official statistics save those on trade unions are reported by or collected from the employers. As a result, the official data have in-built biases: for example, the workers’ involved or the causes of industrial disputes etc. are reported from the employers’ perspective and often to the advantage of the employers (Rao, 1985; Shyam Sundar, 1994 for a discussion of limitations of strike statistics). It is well known that the incidence of contract labor employment as found in official statistics (viz. the Annual Survey of Industries) is a gross underestimation (Maiti, 2009; Shyam Sundar, 2011). The usual statistical explanation is that pluses and minuses cancel out each other and one gets a figure closer to the reality. Further, the micro level surveys with poor sampling could provide wrong estimates. While these contentions are true, where

the purpose of official statistics is to estimate the magnitude and character of a phenomenon and not merely to study the trends, obviously the source of reporting is problematic.

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The variables included in the data base of the Labor Bureau do not cover many interesting aspects of industrial relations. For example, state intervention mechanisms such as state conciliation and compulsory adjudication have been important even for primary institutions of resolution of industrial disputes and workstoppages for long in India (Ramaswamy, 1984). There is hardly any data at the national level on the performance of the conciliation and adjudication machineries, viz. the number of industrial and labor courts, the conciliation machinery strength, the disputes raised and settled, failure reported cases and the cases referred for compulsory adjudication by states and spheres; some more disaggregate classification (e.g. by industries, issues involved, results where appropriate, etc.) could even be desirable.

Chapter 9 “Labor Legislation” in the Indian Labor Year Book (ILYB) has been a valuable source of information on the implementation of various labor laws at the state level. However, over the years, thanks to the failure to supply of statistical data by the regional labor departments in time and correctly, the number of

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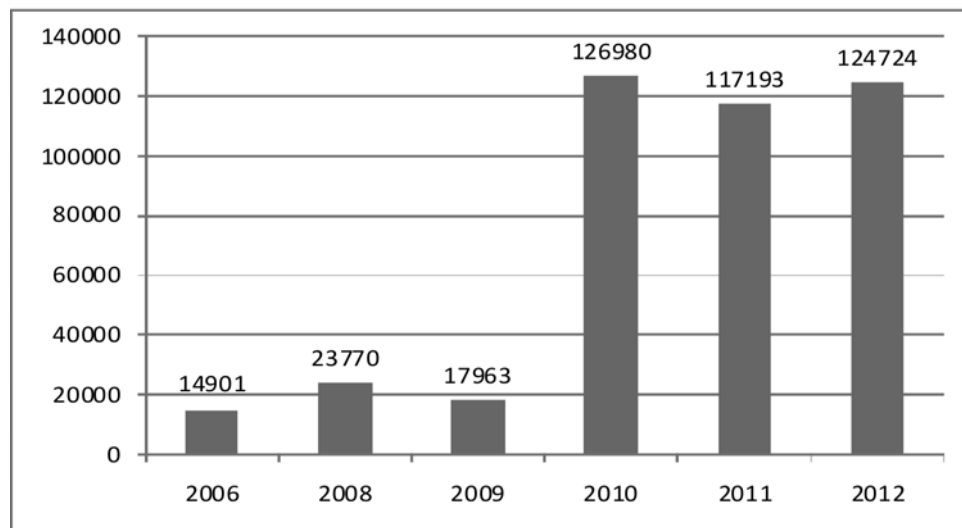
states for which data are reported have shrunk considerably; more importantly, several industrialized states like Maharashtra, Tamil Nadu, Gujarat do not supply data on labor law compliance and administration consistently. In fact, on the factory inspection variable, the latest year for which official data are available in the latest issue of ILYB 2009-10 (at the time of writing) was 2008! (<http://labourbureau.nic.in/reports.htm>, accessed 24 September 2014). The data on factory inspection during 2006-08 do not cover more than 18 states and Union Territories; worse still, data complying big

states are not consistent. So we do not get “national level data” or consistent sub-national data. These have consequences for studying trends – for example if the failure rate and composition is consistent as say in the case of states or trade unions, trends can be reliable.

Minimum Wages Statistics

The annual reports issued with regard to the implementation of the Minimum Wages Act, 1948 suffer from the same deficiency – 12 in 2006, 19 in 2007, 15 in 2008 and 2009, 18 in 2010, 29 in 2011. Tamil Nadu did not submit its figures in all the years save 2011 and 2012 during the 2006-2012 period, the case of Maharashtra being a little better. Further, there appears to be some glaring inconsistencies in the data on the number of inspections conducted in Gujarat (fig. 1).

Fig. 1 No. of Inspections Made During the Year in Gujarat under the MW Act, 2006-2012



Source: Report of the Working of the Minimum Wages Act, 1948 (various years), http://labourbureau.nic.in/Reports_Old_Feb11.htm, accessed 27 September 2014.

The hunch is that the steep spike in the numbers of inspections could be due to the inclusion of data on inspections in the agricultural sector for 2010-2012.

The ILO has issued benchmark ratio of enforcement official:workforce for the industrial market economies (1:10,000), transition (1:20,000) and the less developed countries (1:40,000) (<http://www.ilo.org/public/english/standards/realm/gb/docs/gb297/pdf/esp-3.pdf>, accessed 27 September 2014). We do not have national data on inspection machinery to find out the gaps vis-à-vis this benchmark in the inspection machinery's adequacies, as mere numbers. The absence of objective data-base to assess the implementation of labor laws is a serious omission in the official statistical system.

Coverage

In passing we note with disapproval of the use of "sexist" terms like "man days lost" due to industrial disputes, etc. by the official agencies. In the case of any variable, the coverage is questionable with respect to the rural areas thanks to poor official presence in them. In view of the lack of coverage of the emerging sectors like the Information Technology, the statistics produced by the non-governmental agency (NGO, e.g. NASSCOM) is accepted by all ignoring the fact that its statistics could be influenced by its pressure-group characteristics. The alternative bodies like Centre for Monitoring Indian Economy (CMIE) provide limited and costly access to data. It is doubtful whether the statistics of a

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Thanks to the thresholds-based labor laws in India, the establishments' coverage is not complete. For example, the contractors by-pass the legal registration by under-counting their workers and hence escape legal coverage. This could be true of all kinds of employers. This has become more significant thanks to sly reforms strategy by the state and the employers. The employment composition of any data set including that of even the ASI or the NSSO data base does not adequately capture the extent of labor flexibility in India either temporary or spatially. We do not have data on temporary, casual and so on which hurts the understanding of the labor market dynamics. While the high-news-worthy events like fatal injuries-led-deaths, big industrial conflicts are more likely to be reported, many others escape government statistical net. At this stage, one is not commenting on the veracity of the statistics nor question the agency responsible for statistical reporting, which in most cases, is the employer.

More seriously, the employers and the trade unions increasingly do not sub-

mit annual returns under the respective labor laws. As a result, the statistical agencies “estimate” the numbers pertaining to the non-reporting units by several methods including “repeat” of the previous years’ numbers. For Minimum Wages Act, 1948, in the case of six big states for which data for 2012 are available, just 2.59 percent of the establishments covered submitted returns! In the case of West Bengal, Bihar, Jharkhand and Maharashtra, a NIL report was presented (<http://labourbureau.nic.in/>

[MW_Report_2012.pdf](#), accessed 27 September 2014)! Just a quarter of the registered factories submitted returns under the Factories Act for 2010 (http://labourbureau.nic.in/REP_FACT_2010.pdf)! The proportion of registered trade unions submitting valid and timely returns under the Trade Unions Act, 1926 (called the “response rate”) declined from not so healthy figure of 28.02 percent during 1974-1980 to 9.76 percent during 2005-2008 (Table 1).

Table 1 Proportion of Registered Trade Unions Submitting Returns (Response Rate), 1974-2008

Period	Total Number of Estimated Registered Trade Unions	Total Number of Trade Unions Submitting Returns	Response Rate (%)
(1)	(2)	(3)	(4)
1974-1980	221,544	62,085	28.02
1984-1990	339,309	64,010	18.86
1991-93	221,871	30,666	13.82
1995-98	239,592	31,679	13.22
1999-2004	415,093	42,248	10.18
2005-2008	347,330	33,905	9.76
1991-2008	1223,886	138,498	11.32

Note: Trade unions include both workers’ and employers’ organisations.

Source: Indian Labour Year Book (various issues), Trade Unions, 2008, Labour Bureau, Shimla

It is interesting that the trade unions which protest the reform processes are as guilty of non-compliance as their rivals are!

Finally and most seriously, the state labor departments fail to send compiled state level returns to the Labor Bureau. As discussed above, for any major labor statistical variable, say, factories, minimum wages, or industrial injuries, at any time in the last decade or so around ten states including the big states like Tamil Nadu, Maharashtra, Karnataka would be

defaulters (e.g. Indian Labor Year Book 2009-10).

Work Stoppages

While it is true that the incidence of workstoppages has declined, but the decline represented by official statistics at the national level is unbelievable, thanks to the failure of the social actors and the state labor departments. For example, the Labor Bureau counted one workstoppage involving 771 workers and causing 771 workdays lost for 2007

while the state labor department of Maharashtra counted 22 work stoppages involving 6,100 workers and causing 9,55,300 workdays lost (from the Economic Survey of Maharashtra) (Table 2).

Table 2 Comparison of Statistics on Work Stoppages in Maharashtra from Two Sources for Select Years

Years	SS+CS			SS					
	SLD No. of Worksto- ppages	SLD No. of Workers Involved (WI)	SLD No. of Work Days Lost (WDL)	LB Count	LB No. of Workers Involved (WI)	LB No. of Work Days Lost (WDL)	SS Count	SS No. of Workers Involved (WI)	SS No. of Work Days Lost (WDL)
2001	59	23700	5230900	23	58943	742330	10	3598	687070
2003	27	6500	4354300	8	37013	546657	5	1907	511551
2004	23	6300	2782500	9	854002	1346513	4	1753	486288
2006	23	7500	1085200	9	62870	448726	4	1584	241352
2007	22	6100	955300	1	771	771	0	0	0
2008	35	11000	1581800	4	30638	30638	0	0	0
2009	32	26500	2755200	4	973991	986700	0	0	0
2010	14	4000	2712500	5	97240	99294	0	0	0

Note: SLD – State Labor Department, LB – Labor Bureau; SS – State Sphere, CS – Central Sphere. The Labor Bureau report for 2010 mentions “Information in respect of other States/Union Territories not specified above [in the table] may be treated as Nil.” (emphasis added) (Labor Bureau, 2013 Table – 2(ii)(e):38).

Source: Economic Survey of Maharashtra (various years), Directorate of Economics and Statistics, Planning Department, Government of Maharashtra, <http://mahades.maharashtra.gov.in/publication.do?pubCatId=ESM>, re-accessed 12 May 2014.

The two sources show tremendous divergence. It may be noted here that divergences between the state series and the Labor Bureau series could exist owing to several reasons including the methodological differences or the failure of the SLDs to furnish data before the “cut-off date” set by the Labor Bureau for compilation (Labor Bureau, 2013). However, the divergence noted here is too huge to be accounted by these “natural” factors. The failure of the SLDs and the Labor Bureau in generating valid and reliable statistics on work stoppages is palpable here. The utter decline in the standards

of labor statistics is partly due to inadequate person-power in the government statistical agencies and the multiple tasks the staff have had to discharge. However, these are perhaps reflections of domination of economic sector (finance, trade, etc.) over labor sector. The Labor Bureau strives to “provide relevant and up-to-date industrial dispute statistics to planners, policy makers and research scholars for critical assessment and evaluation of various labor laws being implemented in the country in order to make effective labor policy for maintaining harmonious relationship between employers

and employees.” (Labor Bureau, 2000). The deficiencies in the industrial disputes statistics produced by Labor Bureau greatly reduce the utility of the data and defeat the objectives of official data generation for policy-making. This must be true for other states as well. While disparities between the state and the federal data sources are understandable, the extent of disparities is discomfoting.

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Countries like the United Kingdom and Australia, to quote examples, use workplace industrial and employment relations surveys to capture in a comprehensive manner the tremendous complexities that take place at the workplace and these surveys are conducted by the official statistical agencies and these supplement the official statistical system richly. They contain both quantitative and qualitative information sets an analysis of which enriches the understanding of workplace dynamics. Attention has been invited to this for a long time (e.g, Shyam Sundar, 1993).

The Casualty

High person-power deficits, poor infrastructure, multiple tasks and high workload misallocate human resources in the government sector and labor statistics becomes the casualty. Transition from the command economy wherein statistics (labor) played an important role to the market economy has surely undermined the

importance of labor statistics. The tremendous relaxations in labor inspections and the procedural reforms like self-certification also impact adversely labor statistics. In a sense, high non-compliance by social actors reflects their disdain over labor bureaucracy (returns, data, etc.) and discontent over inspector-Raj regime. In another sense, this is reflective of labor flexibility strategies by firms which mainly comprise in by-passing and even violating labor laws in the absence of labor reforms. Under-reporting of industrial conflicts and accidents could in fact project a “liberal labor market” image to the external investors! The poor validity and quality of labor statistics could at worst reflect weakening of labor in a globalized economic environment and marginalization of Labor Ministry in a globalized economic environment. The curious aspect of the poor show is the high non-compliance by trade unions which, perhaps reveals their frustration over the enforcement regime and anger over denial of fundamental right to register their trade unions.

The liberalization of labor inspection system and the reforms concerning maintenance and submission of information relating to industrial relations variables both by the central government recently and by the state governments over the last few years have significant, if adverse, implications for the generation of labor statistics. Some state governments have introduced self-certification system concerning the factory sector, the shops and commercial establishments sector while a large number of state governments have introduced self-certification with respect to modern sectors like information tech-

nology, special economic zones and so on. Under the self-certification system, the data reporting system has also been rationalized and random inspections will be conducted in such a manner the enterprise might be visited by the labor inspectors once in a few years (say five years). The state governments have also introduced submission of the combined annual returns. These reform initiatives are quite likely to affect the validity and reliability of industrial relations and labor market governance statistics. It may be argued that these also have contributed to rationalization of data which might in such a case strengthen data compliance. Data compliance could have been worse thanks to submission of overdose of data in the past. However, these raise serious questions on the labor statistics system which needs to be reviewed critically.

There is a serious need to inquire into the labor statistics system in the light of recent developments in the industrial and labor policy making. The foregoing is a brief critical commentary on the status of labor statistics in India as produced by the Ministry of Labor and Employment agency, Labour Bureau. The most fundamental governance reform is that of reform of labor statistics.

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