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Decent Work and Economic Growth-The Real Story in India.

Mr. Avijit Pal[1], Ms. Sohini Nath[2]

[1]Assistant Professor, Economics, Burdwan Raj College
[2]Assistant Professor, Economics, Bejoynarayan Mahavidyalaya

Abstract
Decent work and economic growth mean creating safe jobs, fair pay, and strong economies that do not hurt people or the earth. It is United Nations Sustainable Development Goal 8, which aims to give everyone the chance to do productive work in a secure and equal place. In India the story is different. This paper will show that people engaged in Indecent work is more and the share of Indecent Sector jobs to country's GDP is quite significant than the Decent sector jobs.

INTRODUCTION

Decent work means jobs that are productive, offer a fair income and provide workplace security, social protection and human dignity. Defined by the ILO, it ensures equal opportunities, safe conditions of work and freedom for workers and their families. On the other hand, economic growth is an increase in the production of goods and services in a country over a specific time. It is mainly measured using Gross Domestic Product (GDP), which takes the total value of these items.
Now decent work and economic growth are directly connected because fair jobs increase worker's output, boost spending power and build stable markets. As noted by United Nations Sustainable Development, this relationship forms the core of global development goals by promoting "quality jobs, promoting entrepreneurship and fostering economic growth that benefits everyone."

Importance of Decent work and Economic Growth

Decent work and economic growth are important because they reduce poverty, build fair societies, and improve human well-being without harming the planet. Let us see this more elaborately.

- Reducing Poverty and Inequality
- Fair Pay: Good jobs give families a stable income to buy food, medicine, and homes.
- No Child or Forced Labor: Protecting worker's rights stops modern slavery and keeps children in school instead of working.
- Equal Chances: Fair workplaces close wage gaps and help women, youth and people with disabilities find good jobs.

Boosting Society and Health

- Better Health: Safe and clean workplaces keep workers healthy and strong.
- Dignity and Purposes: Having a good job gives people self-worth and a feeling of belonging in their community.

- Public Services: Growing economies give governments money to build better schools, hospitals, and roads for everyone.

Protecting the Planet

- Green Jobs: Growth must use new technology and innovation to protect the earth instead of destroying natural resources.
- Smart Business: Supporting small and local businesses helps communities grow in a safe and steady way.

  We can now get a vivid idea of what comprises a Decent Work in a developed country.

- Fair and Stable Income: In decent jobs, salaries align with minimum wage laws or corporate pay structures, avoiding exploitative piece-rates.
- Social Protection: Decent jobs have mandatory contributions to provident funds, gratuity, and health insurance schemes like ESIC or Ayushman Bharat.
- Legal Rights and Safety: Safe working conditions, regulated hours and formal grievance redressed systems are the common requisites.

Sectors Offering Quality (Decent) Jobs

- Information Technology and Tech Services: Offers formal contracts, structured career paths, and corporate benefits in urban hubs.
- Public Sector and Government Undertakings: Highly coveted positions providing exceptional job stability, pensions and social prestige are obtained here.
- Banking, Financial Services and Insurance: The financial sector also provides good and luxury jobs with secured salaries and other prerequisites.

Let us now focus our attention to the Indian job market.
India's job structure is heavily weighted towards self-employment and the informal sector, with three in five workers self-employed, one in five in salaried jobs, and one in five in casual labour. Overall employment stands at around 64.33 crore, with an all-India unemployment rate hovering near 5.5%.

Employment Categories and Distribution

- Self-Employed: Represents 60% of the workforce (-350 million people), which include about 120 million unpaid family helpers.
- Salaried/Regular Wage: Accounts for -20% of workers (-130 million people), more common among men (25%) than women (16%)
- Casual Labour: Comprises the final -20% of the workforce (-120 million people) engaged in day-to-day wage work.
- Formal vs. Informal: Less than 10% of India's overall workforce operates in the formal sector, with informal arrangements dominating both rural and urban domains.

Status of Informal workers in India

Roughly 90% of India's workforce operates under informal arrangements, facing severe deficits in decent work characterized by key deprivations: about 80% lack written job contracts, over 70% receive no social security benefits, and the majority lack eligibility for paid leave.

Contracts and Job Security Deficits

- No written agreements: 80% in informal employment have no written contracts, according to data compiled by The Hindu.
- Casual vulnerability: Up to 93% of casual workers operate without any formal written job contract.
- Lack of paid time off: Approximately 71% of informal workers are not eligible for paid leave.

Social Protection and Benefits Gap

- Absence of safety nets: Roughly 72% of informal sector workers do not receive any social security benefits such as provident fund or health insurance.
- Lack of representation: Around 80% of workers in vulnerable segments engage in activities completely devoid of union or worker association representation.
- Gender disparities: Women face higher precarity, with a significantly larger share trapped as unpaid contributing family workers compared to men.

Let us now see the characteristics of female, male and child informal labour in India and the major vulnerabilities faced by them.

Over 90% of working women in India are employed in the informal sector, often concentrated in agriculture, domestic work, street vending, and home-based manufacturing like textiles. These workers face severe vulnerabilities, including lack of job security, occupational hazards, exclusion from labour protection, and significantly lower wages than their male counterparts.

Characteristics of Informal Female labour

- Occupational Concentration: Women are heavily clustered in low-productivity, labour-intensive sectors. Major employers include subsistence farming, seasonal agricultural labour, garment making, waste picking and domestic work.
- Prevalence of Unpaid Work: A significant portion of female labour consists of unpaid work within family enterprises or daily household chores, which goes unaccounted for in traditional GDP metrics.
- Wage Gaps: The informal sector is characterized by undefined wages and female workers often face pay disparities of up to 75% less compared to men.

Major vulnerabilities faced by women workers:

- Absence of Social Security: Informal workers operate largely outside the purview of labour laws, missing out on basic safety nets like health insurance, paid leaves and maternity benefits.
- Workplace Hazards and Exploitation: Women in these roles are frequently exposed to unsafe working conditions, long hours, and a high risk of gender-based violence and harassment with little to no legal recourse.
- Financial and Climate Exclusions: Lack of formal contracts makes it difficult for these women to access institutional credit from formal banks, leaving them reliant on exploitative moneylenders. They are also highly vulnerable to climate-related disruptions like extreme heat and flooding.

Male workers also make up a massive portion of the unorganized workforce across agriculture, construction, and urban daily wage labour. These men face severe job insecurity, lack written contracts, and receive no paid leave or social security benefits.

Characteristics of Male Informal workers

- High Concentration: Men heavily populate proprietorship enterprises, construction sites, transport sectors, and casual manual labour roles.
- Lack of Protection: Workers in the informal sector often lack social security benefits, making them vulnerable to financial hardships.
- Contract Deficits: The vast majority of male labourers work without any formal written job agreement or legal recourse for termination.

Socioeconomic Realities

- Earnings: A substantial share of informal workers operate on low and irregular incomes, impacting family stability and long-term savings.
- Urban vs. Rural Dynamics: While rural areas see higher overall informality, Urban centres also rely heavily on informal male migrant workers for delivery services, driving, security and building work.

Children working in informal jobs in India face severe exploitation, lack legal protections, and primarily labour in agriculture, retail trade, and small-scale manufacturing. The vast majority of economically active underage workers operate within this unorganized sector where monitoring is difficult and poverty forces families to rely on extra income.

Common Sectors and Conditions

- Agriculture and Farming: Rural children frequently work on family farms or seasonal plantations, missing school during harvesting periods.
- Manufacturing and Workshops: Unregulated units engage minors in carpet weaving, garment stitching and brick kiln operations.
- Urban Informal Jobs: Urban youths work in roadside food stalls, auto-repair shops, domestic service and retail trading.
- Health and Safety: Young workers often handle toxic materials, sharp tools or heavy loads, leading to chronic respiratory issues and physical injuries.

If we focus our attention to the sectoral classification of work in India, we get the following picture.

Indecent work characterized by low wages, extreme informality, lack of legal protection and deep gender disparities-remains widespread in **Indian agriculture**. Over 45% of India's workforce relies on agriculture, yet labourers frequently face sub-minimum wages, seasonal underemployment and severe occupational health hazards.

Key Dimensions of Decent Work Deficits

- Wages and Informality: Over half of casual and regular workers in agriculture do not receive mandated minimum wages. Most labour occurs without written contracts, social security or paid leave.
- Feminization and Unpaid Labour: Women comprise over 42% of the agricultural workforce, but nearly half function as unpaid family labourers facing systemic under-recognition, wage-gaps and restricted land ownership.
- Health and Safety: Farm workers face high exposure to hazardous agrochemicals, extreme weather conditions and heavy physical strain with minimal safety gear or compensation for injuries.

- Vulnerability of Migrants and Debt: Seasonal migration exposes workers to exploitation by middleman, substandard living conditions, and cycles of high-interest debt bondage.

Indecent work remains a widespread challenge across **Indian industries**, driven by heavy reliance on informal contracts and gig labour. Roughly 90% of India's workforce operates informally, lacking formal contracts, social security, paid leave or fixed minimum wages. Even formal manufacturing and tech sectors increasingly use precarious informal contracting mechanisms.

Core Structural Deficits

- Informalization & Contract Labour: Most industrial and service workers lack written agreements, exposing them to sudden termination and zero job security.
- Stagnant Real Wages: Real wages have largely plateaued or declined in real terms relative to inflation, prompting localized labour friction and protests.
- Erosion of Protection: Regulatory enforcement has weakened as labour inspections decline and safety rules are viewed as business hurdles.
- Long Hours & Safety Risks: Overtime is frequently uncompensated at legal double rates and workplace health protocols are poorly enforced.

The Indecent work in India's Tertiary(service) sector is widespread, marked by informal employment, low wages, lack of social security and long hours. While the service sector drives the GDP, millions of low-end workers face severe precarity in areas like retail, domestic services and the digital gig economy.

Key Issues in the Service Sector

- Informal and Gig Work: Millions in delivery, ride-hailing and retail labour under opaque algorithms with no formal contracts, fixed salaries or safety nets.
- Low pay and Long Hours: Retail hospitality and security staff frequently endure sub-minimum wages and shifts exceeding standard legal limits without overtime pay.
- Absence of Social Security: Most tertiary service workers lack paid sick leave, health insurance, provident fund contributions or pensions.
- Vulnerability of Women: Female workers face wage discrimination, lack of workplace safety, limited upward mobility, particularly in unorganized domestic and care services.

In economic discussions, the contrast between ''decent" and "indecent" work typically maps onto the formal sector (regulated, secure, fair wages) versus the informal or vulnerable sector (unregulated, lacking, precarious). In India, the formal(decent) economy accounts for roughly 55% to 56% of the GDP, while the informal economy contributes approximately 44% to 45%, despite employing nearly 80% of the total workforce.

Formal vs. Informal Contributions

Formal (Decent) Economy Share: The decent economy contributes about 55-56% of India's GDP. This segment is driven by registered corporate entities, public sector undertakings, and tax-complaint businesses boosted by digital public infrastructure like GST and UPI.

Informal (Vulnerable) Economy Share: It contributes about 44-45% of India's GDP. It covers unorganized manufacturing, small retail trades, and unprotected gig workers.

Employment Disconnect: While the formal sector generates the majority of output value, the informal sector absorbs nearly 80% of India's workforce, highlighting a major productivity and income inequality gap.

Thus India's high economic growth coexists with massive "decent work deficit", often described as jobless or low-quality growth. High GDP expansion relies heavily on informal, low-productivity jobs lacking social security, fair wages or safety, meaning rapid economic progress fails to translate into fair, secure employment for all.

The Growth-Indecent work Paradox

Informal Dominance: A huge share of workers stays trapped in the informal sector without written contracts, paid leave or legal safety nets.

Low Productivity Jobs: Growth happens via capital-intensive services or technology, leaving small local businesses and agriculture with low-paying, fragile work.

Vulnerable Groups: Women and young people face higher rates of joblessness, underemployment or unpaid domestic burdens instead of secure entry into the workforce.

CONCLUSION

Therefore, in India, we can relate high levels of informal or indecent work with economic growth, pointing to a partial shortfall or structural struggle in meeting SDG Goal 8, though calling it an absolute failure is nuanced. India shows strong GDP per capita growth alongside persistent labour informality, underemployment and low job security.

SDG 8 demands sustained, inclusive and sustainable economic growth paired with full productive employment and decent work. Growth that leaves workers vulnerable to exploitation and lack of legal protection runs counter to this core mandate.

While government interventions have reduced multidimensional poverty, gaps in minimum wage enforcement, workplace safety, social security benefits, the paradox still prevails. Thus the persistent high informality only proves that in India growth has not fully translated into universally decent work.

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