

Informal Employment, Poverty and Growth in India and China

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## **Synthesis**

The project titled, “Informal employment, poverty and growth in India and China” is being conducted by IRMA in collaboration with the Institute of Population and Labor Economics, Chinese Academy of Social Sciences, Beijing. IRMA is collaborating in India with the Institute of Human Development (IHD), New Delhi to conduct the Survey of cities in India and write the preliminary reports.

According to the research proposal approved by IDRC, this project planned to address a number of conceptual and empirical gaps in the analysis of labour markets in India and China, through improved definitions and instruments for measurement of informal employment; to contribute to the collection of better national statistics on informal employment.

## **The research problem**

The Indian statistical system has been collecting data on informal sector and informal employment in its labour force surveys since 1999-00 and two further rounds have been completed. However, the Chinese statistical system had not incorporated modules on the informal sector/employment in its national labour force survey. One of the aims of this project was to provide, through our household survey, a module for collection of data on informal work in China. This would provide a better measurement of informal work in the two countries which would help in devising and articulating policy for this sector and workers.

Further, the national level statistics collects data mainly on the size of the sector. Through our project we decided to focus on a set of issues to get a better understanding of informal work. These related to structure of the labour force and informality, vulnerability of the informal workers, relation between education and informality, impact on poverty, social protection and nature of job mobility in the informal work force.

## **Project Implementation and management**

IRMA in collaboration with Institute of Human Development, New Delhi set up a National Advisory Committee. IRMA in collaboration with WIEGO set up an International Advisory Committee as well. These committees met often and the work under the project was reviewed periodically.

### *Main survey in cities in India and China*

In mid-January 2010, the city survey was started in Delhi, the survey began in Ranchi on March 1, 2010. The survey in the cities of Delhi and Ranchi were completed in the

middle and end of April respectively. The coding and cleaning of the data was undertaken in IHD Delhi. Simultaneous entry of data was undertaken. The coded and cleaned data and entry was completed and was ready for tabulation by June 30 for Delhi and July 15 for Ranchi. Approximately a sample of 2000 households in Delhi and 1000 in Ranchi were canvassed the questionnaire with both household information and individual information. These consisted of both migrant and local resident households.

In November 2009, the main survey was kicked off in Shanghai and Shenyang. In each city, 700 local households and 600 migrant households were sampled and investigated. Both household and individual information was collected. In March 2010, the household survey was completed. Data entry was done in April 2010. Afterwards, one month was spent to clean the data. Problems were corrected by re-asking the households during the process of cleaning. In addition, data was also collected and analysed from four more cities in China to complete the CULS round 3.

#### *Advisory Committee in India*

The National Advisory Committee consisted of the top academicians and sampling technicians from the National Sample Survey Organisation to oversee and provide inputs to the project. Besides the team members (Jeemol Unni, N.S. Sastry, Alakh Sharma and Rajendra Mamgain) this Advisory Committee consisted of Professors T.S Papola, Sheila Bhalla, Ajit Ghose, Amitabh Kundu, Gerry Rodgers, T.C.A Anant, G.C. Manna and Rajesh Shukla. We also included Professor R. Nagaraj, IGIDR, Mumbai as a member of the International Advisory Committee.

The Advisory Committee met six times over the entire period at Delhi and Ranchi (5<sup>th</sup> meeting). Discussions at these meetings included: the progress of the City surveys in Delhi and Ranchi, problems and issues arising during the cleaning and coding of data, a preliminary tabulation plan, broad themes for the city and country report and broad themes for India-China comparative papers. The committee members also read and commented on the draft papers and the presentations at the Workshops and Final Conference held at Delhi. The Team benefited greatly from the comments and interaction with the esteemed members of the committee.

#### *International Advisory Committee Meetings in Beijing*

An International Advisory Committee was set up after much discussion between team members and member of WIEGO. The Committee consisted of Sarah Cook, Ralf Hussmanns, Joann Vanek, Martha Chen, James Heintz, Albert Park, John Giles and R. Nagaraj. CASS hosted two meetings of this Committee at Beijing during September 2010 and September 2011. The third meeting which was held in Delhi in April 2011 was attended only by Albert Park, John Giles and R. Nagaraj of the international advisory. This committee helped to finalize the definitions of informal

sector and informal employment and provided comments on initial drafts and presentations of the work of the two teams. WIEGO was also helpful in setting up an internal website and later a micro website on the website of WIEGO. This has been a part of our dissemination strategy as the WIEGO website is well visited by international scholars and activists who work on issues in informal work.

### *Workshops and Final Conference*

Since the two teams were located in various parts of the world besides India and China, the project had devised a strategy of holding periodic Workshops to enable meeting of scholars, design of the common questionnaire and presentations of preliminary results. Three Workshops were held in Beijing, in September 2009, 2010 and 2011, and one was held in India in April 2011. One meeting/workshop was held in Hong Kong in November 2011.

The Final Conference was held in India in December 2011. We presented a joint Panel of the research teams from India and China and international experts from the government and academic world. A joint presentation of the entire set of papers was presented by the India China Teams, while the experts commented on the work. The next day we had the comparative papers presented under the themes of measuring informality, vulnerability, education, poverty and social protection and job mobility. We also presented the joint Panel at the Annual Conference in the Indian Society of Labour Economics at Udaipur. Both these final Conference events were well attended by academics, government officials and policy advocates. This final Panel presentation has also been posted in the micro site on the WIEGO website.

### *Dissemination*

Besides the micro website, we propose two sets of papers to be prepared under the project. The first set is the individual country papers on the various aspects of labour markets to be published as a book volume. The second set comprises of comparative India and China papers for a journal volume. We have received 13 individual country papers and have distributed them to our national advisory committee for detailed comments. We plan to hold a brief Workshop on March 24<sup>th</sup> to discuss these papers and will send the comments and discussion to the concerned paper writers for revision of the papers. We hope to have the final manuscript of revised papers and overview chapter ready to be handed over to the publisher by the end of April, 2012. The second set of comparative papers is still under preparation and we hope to have them ready by the end of May 2012.

### **Capacity building**

All three institutions involved, IRMA, IHD and CASS have a set of senior scholars and young researchers working together on the papers as can be seen from the joint

authorship in the papers. This provides a chance to build the capacity of the younger scholars in the institutions in the area of data collection, analysis through the use of package programs such as SPSS and STATA, paper writing skills and presentation of results to an enlightened audience. The young scholars at IRMA have also been encouraged to attend and present the co-authored papers in national and international conferences.

The research team at IHD has used the project for capacity building of its field staff, investigators and supervisors both at Delhi and Ranchi. IHD has a branch office at Ranchi, which is located in a backward state of Jharkand. We held our fifth Advisory Committee meeting in Ranchi which was attended by the young IHD team members who had conducted the field survey. This was a good opportunity to build capacity of these staff and young investigators in one of the most backward state of India.

CASS has also had four post-doctoral students and two young researchers working on the data and co-authoring the papers with senior scholars.

## **Impact**

This collaborative study between IRMA and CASS has helped develop understanding of methodology of data collection on the informal sector and employment in China. The participation of National Bureau of Statistics in conducting the survey and in the International Advisory Meeting helped in this objective.

The China Team has collected and tabulated data on informal sector and informal employment in cities in China for the ILO volume on “Women and Men in the Informal Sector: A Statistical Profile, 2012”. This is the second edition. The first edition published in 2002, did not have any estimation of informal employment in China. This is a major achievement for the current project and it will have large international impact being an International Labour Organisation publication. This was made possible by the involvement of WIEGO in our project’s international advisory committee.

The India team has been in constant touch with the National Sample Survey Organisation for developing the sampling design. The NSSO also prepared and provided us the multipliers (weights) to be applied to the survey data since the survey was conducted in the two cities based on their survey design.

A deeper understanding of informal work and policy dialogue with the Indian policy makers was developed through the Workshops held in both countries and the Final Conference held in India.