

Muslims in The Indian Labour Market: Recent Trends

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ABSTRACT

This paper has analysed the relative position of Muslims in the labour market. The analysis is divided into two sub-periods, i.e. 2011-12 to 2017-18 and 2017-18 to 2023-24 as the pattern of employment differs during these two sub-periods. The data for analysis have been taken mainly from the Employment and Unemployment Surveys of NSS 2011-12 and the Periodic Labour Force Surveys of National Statistical Organisation available annually from 2017-18 to 2023-24. The paper shows that the plight of the Muslims in the labour market does not show any marked improvement in the recent period. Their participation rate in labour and work remains low especially in case of females. Majority of Muslims are self employed and their presence in regular wage/salary jobs is low. Mostly the Muslims are engaged in low paid jobs. The earning levels of the Muslims are also low especially in comparison to Upper Caste workers. A large part of this difference is attributed to the poor endowment of Muslims especially in terms of education. It is suggested that the improvement in educational status of Muslims is a precondition for ensuring better labour market outcomes. Thus, positive discrimination is needed in favour of the Muslims to bring them in the mainstream.

Key Words: Labour Market, Muslims, LFPR, WPR, Occupational Segregation, Wage differentials

I. Introduction

Several studies have highlighted the segregation and discrimination in the Indian labour market based on caste and religion. The studies show that the Upper Caste Hindus are over represented in regular salaried jobs with better job conditions, while the OBC and Muslims are generally occupied in self employment, and SCs are concentrated in manual jobs. Similar differences are found among females belonging to different social and religious groups. These studies have also

pointed out the significant differences in wages and incomes prevailing among different social and religious groups with Hindu Upper Castes earning more than others.

Among the religious groups in India Muslims are lagging behind in socio-economic development. The Sachar Commission Report (2005) has forcefully brought out the fact that the status of Muslims in many areas was worse than that of non-Muslims including employment and earnings. The report brought out the manner in which Muslims are concentrated in certain occupations and alluded to discrimination playing a major part in this. The situation Muslims has not changed much since then as pointed out by the Amitabh Kundu Committee Report (2014).

The issue of labour market segregation and discrimination among Muslims has been highlighted by some scholars. We briefly review some of these studies below.

Das (2008) has examined the minority status and labour market outcomes India using NSS EUS survey for 2004-05. She finds that 47 percent of Muslim men and 37 percent of men from other religions including Hindus are in non-farm self-employment. However, 25 percent of Muslim men and 37 percent of Hindu men are in salaried employment. In rural areas, where farming is the predominant form of employment for the majority of men, we find Muslims to be slightly less likely to be farmers and here too they are more likely to be self-employed in non-farm enterprise and less so in formal jobs. Being Muslim has large and significant positive effects for participation in self-employment in general but in urban areas, there are almost equally large but negative effects for being in regular salaried jobs. Being Muslim in a city or town makes men 12 percent more likely to be self-employed and commensurately 14 percent less likely to have a salaried job. Das concludes that the "minority enclave hypothesis" does not hold for Dalits but it does so overwhelmingly for Muslims. Muslim men do not get regular salaried jobs. Muslims live and operate their businesses in geographical clusters within cities and towns like Mumbai, Hyderabad, Bhopal, Kolkata and Patna.

Das (2004) was among the first to explore the reasons for the low participation of Muslim women in the labour market. In her view there are two main reasons for the low participation of Muslim women in the labour market. In rural areas, it is due to their limited engagement in agriculture within the overall context of differential land ownership patterns by religion. In urban areas, it is due to their exclusion from professional, technical and clerical jobs. According to her purdah, or even Islamic norms, are often an obvious though simplistic explanation for Muslim women's low labour force participation.

On the other hand, Neetha (2013) has highlighted the fact that women from Muslim and upper caste Hindu communities face strict restrictions in their participation in outside work compared to women from SC/ST or communities, which accounts for their lower work participation rate.

She concludes that the market seems to operate within the existing given structural inequalities of caste and religion and rather than altering these inequalities it worsens and reinforces such inequalities.

Desai (2014) points out that *parda* is more prevalent among Muslim women than in Hindu women. About 49 % of Hindu women do not practice veiling, compared with 11 % for Muslim women with a comparable background. Moreover, higher education is associated with an increasing number of Hindu women abandoning the veil. Among educated Muslim women, however, the performance of gender triumphs over the performance of modernity: the practice of veiling increases with the level of education. According to her analysis Muslim women are less likely to participate in the labour force, regardless of which labour force participation variable we consider. She predicted probability of Muslim women's participation in any type of work (waged work or work on family farms/business) is .40, compared with .54 for Hindu women. However, for waged work, the difference is twofold, with the probability of waged work being .08 for Muslim women and .16 for Hindu women.

Several studies have pointed out the wage differentials among Hindus and Muslims. Bhaumik and Chakraborty (2007) have examined the wage differentials among Hindus and Muslims based on the NSS surveys for 1987, 1993, 1999 and 2004. They find that the gap in the average earnings of the Hindus and the Muslims was 23 percent of the latter's average income in 1987, which increased to 35 percent in 2004. They argue that the difference in average earnings is largely explained by the characteristics effect, especially for education and age. They show that equalisation of the educational levels of the Hindu and Muslim wage earners would have reduced the difference in their average earnings by about 45 percent. This suggests that, *prima facie*, education can be a panacea for relative economic deprivation of Muslims in India.

Chakravorty and Bohara (2021) find that the Muslim OBCs are the most vulnerable group of regular salaried workers compared to the Hindu higher castes with an earnings gap of about 62%. However, they show that most of this gap is due to the differential endowments in human capital of the two groups. But they also note that these unequal labour market outcomes could be a long-run result of historical discrimination, for example, lesser opportunity to investment in human capital, inaccessibility to quality education and health, which may have caused the vulnerable sections to achieve lower endowment.

Dsouza et al. (2015) have analysed the existence of structural discrimination among socio-religious groups using the NSS employment and unemployment data for 1993/94, 2004/05 and 2011/12. They show that Other Religious Minorities followed by Hindu Upper castes receive the highest wages across all three NSS rounds while Hindu lower castes (ST and SC) receive the lowest among all religious group. Education according to them was an important factor which

explained on an average 35% to 56% of the difference in wage gap between Hindu Upper Castes with Muslims and Hindu Lower Castes.

Mondal (2016) in his paper looks at the differences in wages earned between male workers belonging to various caste and religious identities in India using data from seven different rounds of National Sample Survey. He finds that Hindu upper castes earn more than Muslim and lower caste workers. According to them lack of entrepreneurship among the urban Muslims and lower-caste Hindus in the formal sector might be responsible for their plights. Policies that encourage skill development and development of entrepreneurship among Muslims and especially lower-caste Hindus in the formal sector will help alleviating the conditions of these demographic groups.

Rammohan et al. (2017) have calculated the loss suffered by different social groups due to occupational segregation. According to their study females and males from SC, ST, Muslim groups incurred huge loss as a consequence of their uneven representation in different occupations.

Kashif Mansoor and Vinoj Abraham (2021) have analysed the occupational segregation among socio-religious groups in India using Employment and Unemployment Survey 2011–2012. The authors show that segregation in general is higher in urban areas than in rural areas and among females than males. The highest segregation is recorded between Hindu STs/SCs and Muslim OBC in urban areas, followed by Hindu others and Muslim others. Regular employment seems to emerge as driver of occupational segregation for males, while both regular employment and self-employment drive segregation among females. On the other hand, rising education levels raise segregation among males of all socio-religious groups.

Firdos Ahmad and Khan (2021) using PLFR data find that Muslim female workers have lower level of wage rate in comparison with other groups that are better than Muslim female workers. They also report that the average monthly per capita consumer expenditure of Muslim females are lowest among all religious groups both in the rural and the urban areas. The largest proportion of illiterate women is also found among Muslims at all-India level. On the other hand, the lowest percentages of Muslims is found in case of the persons with high school completion and above high school completion.

Sanjeer Alam (2022) argues that if relative position of social groups in the labour market is to be judged by degrees of access to regular salaried work, Muslims are the most disadvantaged groups in this respect. In 2011-12, the average earning of Muslim regular wage/salaried workers was the lowest of all. He also shows that during the period of economic boom, while other disadvantaged groups gained relative to Hindu Forward Castes, Muslims, in contrast, lost a bit.

He shows that the hiring process in the labour market's formal sector is influenced by socially induced biases. According to him while biases against lower castes run deep in the hiring processes, they run even deeper against Muslims. What is most disturbing one is that even investment in human capital does not seem to help them much in overcoming the barriers to entry into the mainstream labour market.

According to Jefferlot and Kalaiyaran (2023) the condition of Muslims in last two decades has only worsened in the context of Hindu majoritarianism. They also draw attention to the regional differentiation among Muslims and point out that Muslims fare better in development indicators in South India vis-à-vis the rest of India. This is partly due in their opinion to the implementation of affirmative action schemes for Muslims in the South. Muslims do better where they are given reservation and lost to others including SCs and OBCs where they are excluded from positive discrimination framework. They suggest that affirmative action is therefore needed in case of Muslims as in case of other lagging castes.

The India Discrimination Report 2022 by OXFAM examines the caste and religion based discrimination in the labour market in detail using the recent reports of PLFS. The report highlights the differentials in employment and earning between Muslims and non-Muslim groups. In the urban areas PLFS data for the year 2019-20 demonstrates that 15.6 per cent of the 15 years plus population among Muslims are engaged in regular jobs whereas the corresponding figure among the non-Muslims is 23.3 per cent. Decomposition analysis shows that 68 per cent of the gap is explained by discrimination while differences in endowment explain only 32 per cent in 2019-20. In the rural areas as per PLFS data for the year 2019-20, the gap in participation in regular employment between Muslims and non-Muslims is low, 5.8 per cent and 6.9 per cent respectively.

The report highlights significant differences in the average earnings of Muslims and non-Muslims. As per the PLFS 2019-20, the average earning of non-Muslims in urban areas in regular employment is Rs. 20,346 which is significantly higher than that of Muslims, which is Rs. 13,672. The average earning of non-Muslims in self-employment is Rs. 15,878 while that of Muslims is Rs 11,421. The average earning in casual wage work was also slightly higher among non-Muslims than Muslims in 2018-19. The earning differentials are lower in the rural areas. Non-Muslims in rural areas earn Rs. 13,440 per month in regular work while Muslims earn Rs. 12,796. The average earnings of non-Muslims in self employment in rural areas is Rs. 9,174 which is more than that of the Muslims at INR 8,357. In 2019-20, the average earning of Muslims in rural areas in casual work is Rs. 7405 which is higher than that of the non-Muslims, i.e., Rs. 6,736.

Only a small part of earning differentials is due to discrimination in the labour market against Muslims. Regression analysis results show that endowment differences explain 93.1 per cent of the total wage variation in case of urban regular employment and 88.1 per cent in case of self employment. However, in case of casual employment 55 per cent of the earning gap is due to discrimination. In the rural areas the deficit in the earnings in regular employment is fully attributed to endowment gaps. But in case of self employment discrimination explains 40 per cent of the total gap in earnings between the two groups in 2019-20.

In short, the above literature review shows that Muslims have not received a fair deal in the Indian labour market. They are predominantly engaged in self-employment and are under represented in regular wage/salaried jobs. The earning levels are also found to be lower in their case as compared to other social groups. While a large part of the income gap may be explained by the endowment effect, clear discrimination exist against Muslims in the labour market.

II. The Present Paper

The studies reviewed above cover the situation upto 2011-12 only. The aim of this paper is to see how much the situation has changed in the last decade or so. Our focus is on the relative position of the Muslims in the Indian labour market. The analysis is divided into two sub-periods, i.e. 2011-12 to 2017-18 and 2017-18 to 2023-24 as the pattern of employment differs during these two sub-periods.

The data for analysis have been taken mainly from the Employment and Unemployment Surveys of NSS 2011-12 and the Periodic Labour Force Surveys of National Statistical Organisation available annually from 2017-18 to 2023-24. Several scholars have raised concern about the comparability of these two sources (Ghosh, 2019; Abraham and Srivastava, 2019; Jajoria and Jatava, 2020; Mehrotra and Parida, 2019; Motkuri, 2019; Padhi et al., 2021; Goldar and Agarwal, 2023)). Goldar and Agarwal (2023) are of the opinion that while estimates based on UPS are comparable, those based on UPSS are not comparable. The NSS reports also compare results of later years with that of 2011-12 survey. Padhi et al. (2021) are of the view that there are no serious issues of comparability especially in the state and national level estimates. Other scholars have also compared the results of the two surveys (Mehrotra and Parida, 2019). We believe that broad trends can be observed in the pattern of employment by comparing NSS reports on Employment and Unemployment Situation and the PLFS reports.

Moreover, our focus is not on trends in employment as such but on trends in inter-religious differentials in work force.

In our opinion a comparison of Muslims and Hindus is not very meaningful in this context as the Hindu group consists of a large number of OBC, SC and ST population which are in a

disadvantageous position. Therefore, we have compared the situation of Muslims with that of the ‘Others’ (i.e. the Upper Castes) and Scheduled Castes.

The structure of the rest of the paper is as follows. In Section III we discuss the trends in the Labour Force Participation Rates (LFPR). This is followed by a discussion of the trends in Work Participation Rates (WPR) in Section IV. In Section V trends in unemployment rates have been examined. Section VI deals with the type of employment, while Section VII shows sectoral distribution of workers. This is followed by study of occupational segregation among religious groups in Section VIII. The issues related to wage differentials and discrimination in the labour market have been examined in Section IX. The final section gives the concluding remarks.

III. Labour Force Participation Rates

According to the PLFS 2021, 82.8 per cent people belonged to Hindu religion out of which 9.8 per cent were ST, 20 per cent SC, 45.8 per cent OBC and 24.4 per cent others. 12.6 per cent of the population was Muslim. The share of Muslim population was 11.5 per cent in the rural areas and 15.5 per cent in the urban areas.

Table 1 shows the LFPR for selected groups in 2009-10, 2017-18 and 2023-24. In 2023-24, 38.2 per cent Muslims were in the labour force as compared to 45.1 per cent SCs and 43.2 per cent Upper Castes. LFPR of Muslim females were distinctly lower (21.4 per cent) as compared to Muslim males (54.9 per cent). The LFPR of Muslim males and females were lower than that of the other groups both in the rural and the urban areas. The higher participation rates among SC women is due to greater poverty among them. Moreover, lower caste women face fewer restrictions in terms of stigma associated with manual work and on mobility (Das, 2005).

Table 1: Labour Force Participation among Muslims and Social Groups (%): All Ages

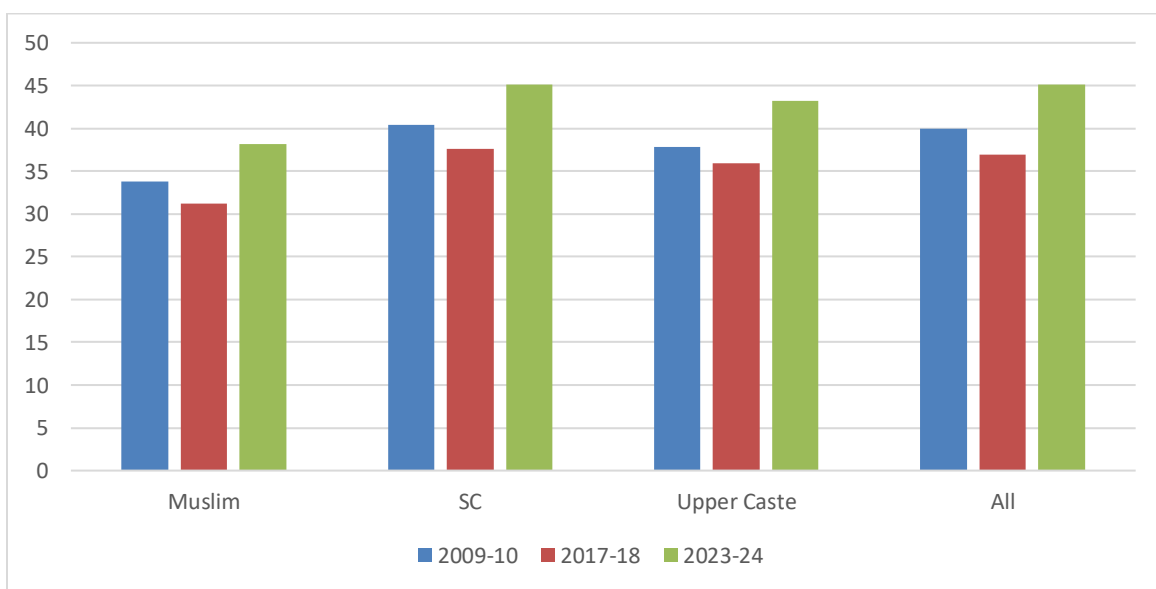
Social and Religious	2009-10			2017-18			2023-24		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
Rural									
Muslim	52.6	14.6	34.4	50.4	10.5	30.7	53.7	25.0	39.3
SC	55.0	26.5	41.1	55.9	18.0	37.3	57.1	34.4	45.9
Upper Caste	56.2	20.6	38.9	55.6	15.0	35.9	59.5	29.8	44.7
All	55.6	26.5	41.4	54.9	18.2	37.0	57.9	35.5	46.8
Urban									
Muslim	53.6	10.1	32.7	55.1	8.8	32.0	57.1	14.6	36.2
SC	56.3	18.1	37.7	57.3	19.2	38.6	59.6	25.0	42.6
Upper Caste	56.8	13.8	36.3	57.0	15.9	36.8	59.8	21.2	41.1
All	55.9	14.6	36.2	57.0	15.9	36.8	59.0	22.3	41.0

Rural+Urban									
Muslim	53.0	13.1	33.8	52.1	9.9	31.2	54.9	21.4	38.2
SC	55.3	24.7	40.4	56.2	18.2	37.6	57.7	28.9	45.1
Upper Caste	56.5	17.8	37.8	56.2	14.7	35.9	59.6	26.2	43.2
All	55.7	23.3	40.0	55.5	17.5	36.9	58.2	27.8	45.1

Note: All includes all persons.

Source: EUS 2009-10 and PLFS 2017-18 and 2023-24.

Figure 1: Labour Force Participation Rate (%)



There was a clear decline in LFPR in case of Muslims and Upper castes both in case of males as well females between 2009-10 and 2017-18 in the rural areas. However, SC males show an increase in LFPR in this period. In urban areas LFPR for males shows an improvement over 2009-10 in all the three groups. Only Muslim females show decline in LFPR in this period.

LFPR shows an improvement in case of all groups between 2017-18 and 2023-24 both in the rural areas and urban areas and for males and females (Table 1).

Work Participation Rate

Table 2 shows WPR for the selected groups. In 2023-24, WPR was 53.2 per cent for Muslim males and 20.7 per cent for Muslim females, which was lower than that of Upper castes and the SC, especially in case of females. This was also the case both in the rural and the urban areas.

Table 2: Work Participation Rate Of Muslims and Social Groups (%)

Social and Religious	2009-10			2017-18			2023-24		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
Rural									
Muslim	51.7	14.3	33.7	47.0	9.9	28.7	52.4	24.3	38.3
SC	53.9	26.2	40.4	52.3	17.4	35.2	55.3	33.7	44.6
Upper Caste	55.2	20.1	38.2	52.2	14.1	33.7	57.7	28.8	43.4
All	54.7	26.1	40.8	51.7	17.5	35.0	56.3	34.8	45.8
Urban									
Muslim	52.3	9.4	31.7	50.9	7.5	29.3	54.8	13.7	34.6
SC	54.5	17.2	36.4	52.5	17.2	35.2	56.7	23.4	40.3
Upper Caste	54.9	12.9	34.9	53.1	12.6	33.3	57.4	19.7	39.1
All	54.3	16.6	35.0	53.0	14.2	33.9	56.4	20.7	38.9
Rural + Urban									
Muslim	51.9	12.7	33.1	48.6	9.0	28.9	53.2	20.7	37.0
SC	54.0	24.2	40.4	52.4	17.3	35.2	55.6	31.3	43.6
Upper Caste	55.1	17.1	37.8	52.6	13.5	33.5	57.6	24.4	41.5
All	54.6	22.8	39.2	52.1	16.5	34.7	56.4	30.7	43.7

Note: All includes all persons.

Source: EUS 2009-10 and PLFS 2017-18 and 2023-24.

Figure 2: Work Participation Rate (%)

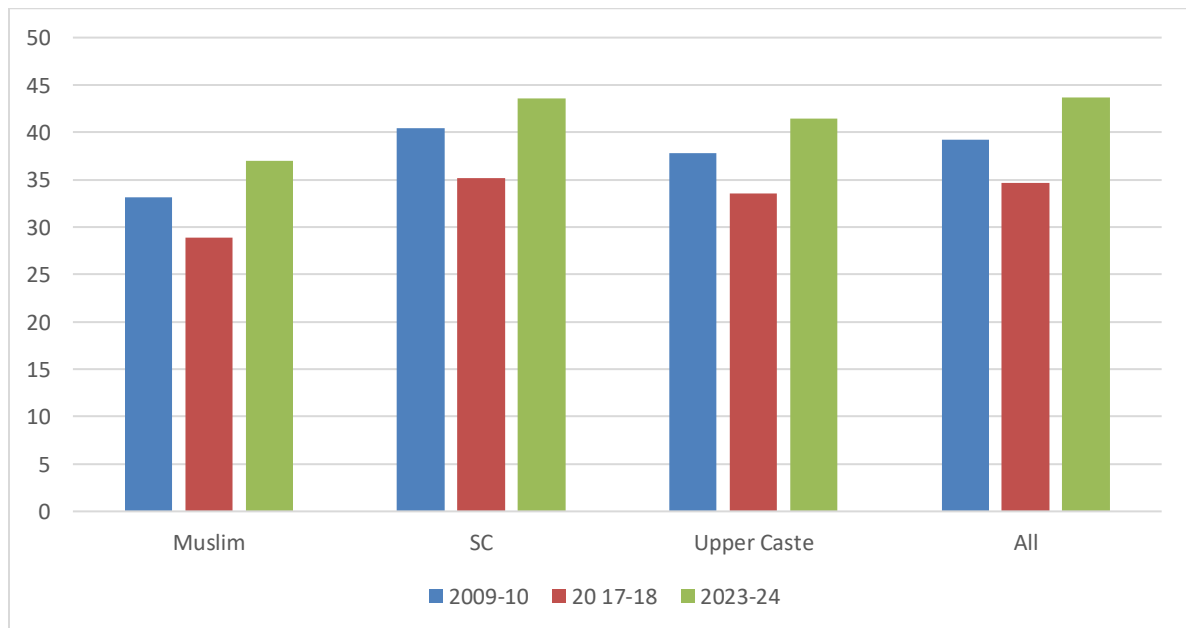
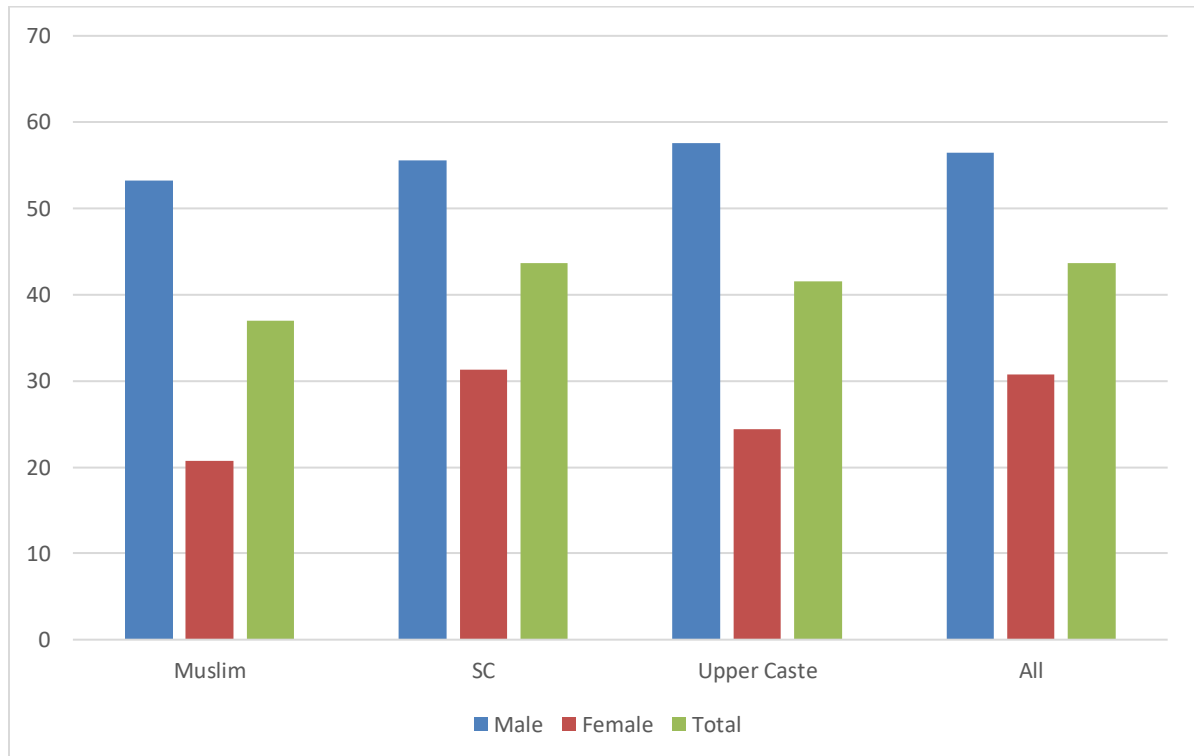


Figure 3: Work Participation by Sex 2023-24 (%)



Looking at the changes in WPR over time we find that between 2009-10 and 2017-18 there has been a clear decline in WPR for all the three groups especially in the case of females. The decline in WPR was sharper in the rural areas as compared to the urban areas. However, all groups show an increase in WPR between 2017-18 and 2023-24. The gain has been sharper in case of females as compared to males.

Unemployment Rate

Table 3 shows the unemployment rate among religious groups by area and sex. In 2023-24, unemployment was found lowest among Muslims males, but higher than SC for females. Upper castes had the highest unemployment rate for females and SC for males. Unemployment rates were higher for females in case of Muslims and the Upper Castes but lower in case of SC. Unemployment rate was much higher in urban area as compared to rural area for all three groups, especially in case of females. Unemployment rates rose sharply between 2011-12 and 2017-18 in case of all groups both for males and females. But, there was a sharp decline in unemployment rate in 2023-24 as compared to 2017-18 for all groups both for males and females. Similar trends were observed in rural and urban area.

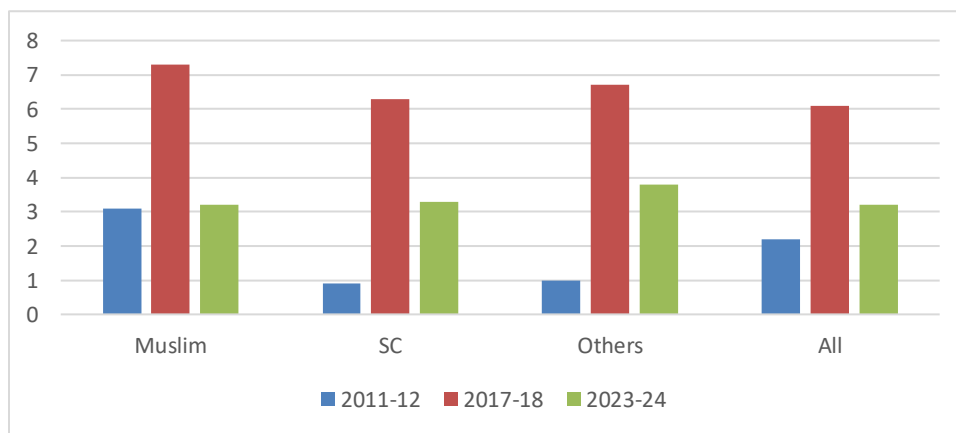
Table 3: Unemployment Rate by Selected Groups (%)

Social and Religious	2011-12			2017-18			2023-24		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
Rural									
Muslim	2.2	3.9	2.6	6.7	5.7	6.5	2.6	2.7	2.6
SC	1.1	0.4	0.7	6.4	3.2	5.6	3.1	2.0	2.7
Others	1.0	0.5	0.8	6.1	5.9	6.0	3.0	3.5	3.1
All	1.8	1.7	1.7	5.8	3.8	5.3	2.7	2.1	2.5
Urban									
Muslim	3.8	4.4	3.9	7.5	14.5	8.5	4.0	6.5	4.5
SC	1.8	0.8	1.3	8.2	10.5	8.8	4.9	6.4	5.3
Others	1.9	0.9	1.4	6.8	11.2	6.8	4.0	6.9	4.8
All	3.0	5.2	3.5	7.1	10.8	7.8	4.4	7.1	5.1
Total									
Muslim	2.8	4.0	3.1	7.0	8.7	7.3	3.1	3.6	3.2
SC	1.3	0.5	0.9	6.8	4.9	6.3	3.6	2.8	3.3
Others	1.4	0.7	1.0	6.4	8.1	6.7	3.4	4.7	3.8
All	2.1	2.4	2.2	6.2	5.7	6.1	3.2	3.1	3.2

Note: All includes all persons.

Source: EUS 2011-12 and PLFS 2017-18 and 2023-24.

Figure 4: Unemployment Rate by Selected Groups (%)



Type of Employment

We now discuss the type of employment of workers in different communities. Self employment is the dominant mode of employment for all groups. In 2023-24, 62.2 per cent of Muslim workers were self employed as compared to 46.2 per cent SC workers and 60.1 per cent Upper

Caste workers (Table 4). However, the proportion of workers in regular wage/salary job was much lower in case of Muslim workers as compare to the Upper Castes workers. Among casual workers the proportion of Muslims workers was much higher than that of the Upper Caste, though considerably lower than that of SC. Thus, in terms of quality of work the Muslim workers are in an inferior position as compared to the Upper Caste workers, though they are better off as compared to the SC workers.

The pattern of employment was broadly similar in 2011-12 also (Table 4). However, the rate of change has varied among different groups. The proportion of self employed workers has increased between 2011-12 and 2023-24 for all groups. Similarly, the proportion of wage/salary workers has also increased over this period, but the level of increase was lower for the Muslims. All the groups show a sharp decline in the proportion of casual workers.

Table 4: Distribution of Workers By Social Groups (%)

Social and Religious Group	Self Employed	Regular Wage/Salary	Casual Labour	All
2011-12				
Muslim	55.3	16.3	28.5	100.0
SC	36.7	15.3	48.0	100.0
Upper Caste	57.7	26.4	15.9	100.0
All	52.2	17.9	29.9	100.0
2023-24				
Muslims	62.2	18.0	19.7	100.0
SC	46.2	20.6	33.2	100.0
Upper Caste	60.1	30.3	9.5	100.0
All	58.4	21.7	19.8	100.0

Note: All includes all persons.

Source: EUS 2011-12 and PLFS 2017-18 and 2023-24.

Figure 5: Distribution of Workers by Type of Employment (%)

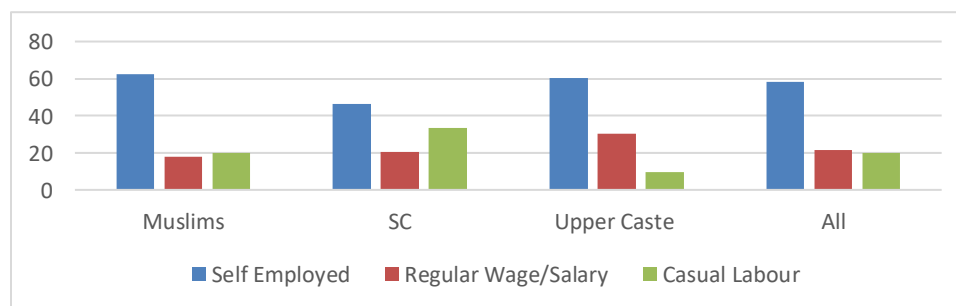


Table 5 shows the pattern of employment by type of employment in the rural and the urban areas. In the rural areas 59 per cent of Muslim male workers were self employed, 13.5 per cent were in regular wage/salary employment and 27.5 per cent workers were casual workers. The proportion of Muslim male workers in self employment and regular wage employment was lower as compared to that of the Upper castes, but the proportion of casual workers was much higher. The proportion of Muslim female workers in self employment was as high as 86.8 per cent. In the urban areas the proportion of Muslim male workers was higher in self employment and casual work as compared to the Upper caste, but it was much lower in case of regular wage/salary work. Similar position was found in case of the Muslim female workers.

Table 5: Distribution of Workers by Nature of Employment by Social Groups 2023-24 by Sex and Area (%)

Social and Religious Group	Self Employment	Regular Wage/Salary Worker	Casual Worker	Self Employment	Regular Wage/Salary Worker	Casual Worker
	Rural Male			Rural Female		
Muslims	59.0	13.5	27.5	86.8	5.6	7.6
SC	43.9	15.6	40.5	61.3	8.9	29.8
Upper Caste	67.0	19.6	13.4	82.0	10.2	7.7
All	59.4	15.8	24.9	73.5	7.8	18.7
	Urban Male			Urban Female		
Muslims	47.3	33.0	19.1	63.7	29.1	7.2
SC	30.2	45.8	23.9	33.7	51.5	14.8
Upper Caste	42.6	49.6	7.8	43.4	53.9	2.6
All	39.8	46.8	13.4	42.3	49.4	8.3
	Total Male			Total Female		
Muslims	54.7	20.8	24.4	81.6	10.9	7.5
SC	40.6	22.9	36.5	56.4	16.4	27.2
Upper Caste	56.4	32.6	11.0	69.1	24.5	6.0
All	53.6	24.9	21.5	67.4	15.9	16.7

Note: All includes all persons.

Source: PLFS 2023-24.

Employment by Sectors

Table 6 shows the sectoral distribution of workers among the selected groups. In 2023-24, the highest proportion of workers are found in the primary sector for SC and Upper Castes. But in case of Muslims highest proportion is found in the secondary sector. The proportion of Muslim workers in the primary sector is lower as compared to the SC and Upper Castes, but it is distinctly higher in case of the secondary sector especially as compared to the Upper Castes. In

the tertiary sector highest proportion of workers is found in the case of Upper Caste followed by the Muslims and SC.

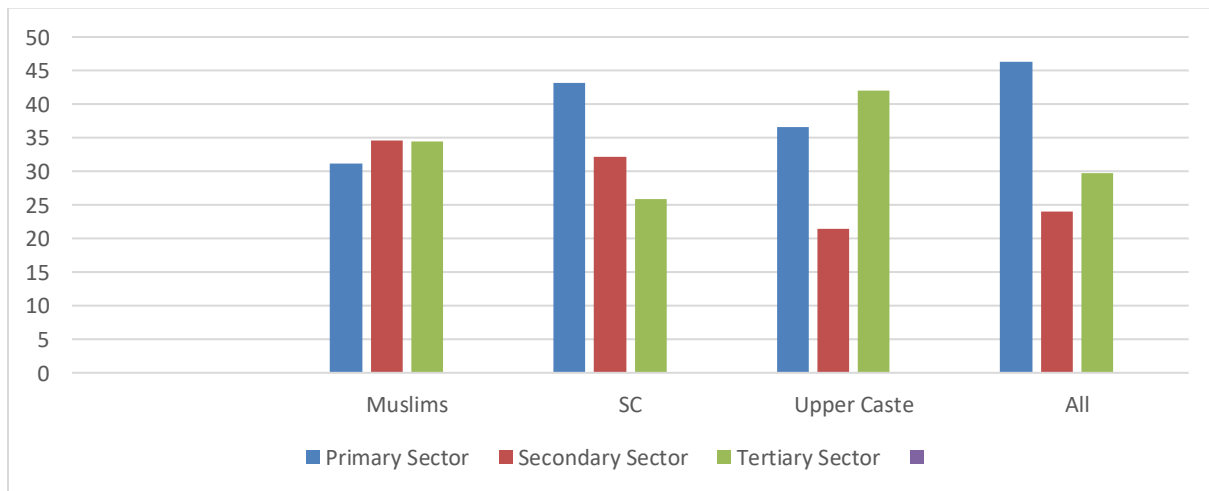
Table 6: Employment by Major Sectors By Groups (%)

Social and	Primary Sector	Secondary Sector	Tertiary Sector	All Sectors
2011-12				
Muslims	31.5	36.2	32.2	100.0
SC	49.7	28.7	21.6	100.0
Upper Caste	38.5	23.2	38.3	100.0
All	49.4	23.7	26.8	100.0
2023-24				
Muslims	31.1	34.6	34.4	100.0
SC	43.2	32.2	25.8	100.0
Upper Caste	36.6	21.4	42.0	100.0
All	46.3	24.0	29.7	100.0

Note: All includes all persons.

Source: EUS 2011-12 and PLFS 2023-24.

Figure 6: Sectoral Distribution of Workers among Selected Groups 2023-24 (%)



The sectoral distribution was more or less similar for all groups in 2011-12. But some differences in observed over time. Thus, the proportion of agricultural workers has declined in all selected groups. The decline was, however, sharper for SC and very moderate for Muslims. The proportion of secondary workers has increased in case of SC, but declined in case of Upper Castes and Muslims. The proportion of workers engaged in the tertiary sector also shows a clear increase in all groups. But the increase was relatively less in case of Muslims (Table 6).

Segregation of Employment

The issue of segregation of workers has attracted the attention of several scholars (Basant 2012; Mamgain 2017; Mansoor and Abraham 2021; Kasif 2022). Table 7 shows the distribution of workers by usual occupation for the selected groups in 2011-12 and 2023-24. As the Table shows the Muslims are under-represented in professional technical and clerical jobs, while they are over represented in services and sales workers, craft and related workers, machine operators and elementary occupations like include street vendors, shoe cleaners, mining and construction laborers, manufacturing and transport laborers, garbage collectors, and domestic helpers. Thus, in 2023-24 only 3.5 per cent Muslims were occupied as legislators, senior officials and managers against 6.2 per cent Upper Castes. Similarly, 3.5 per cent Muslims were working as professionals as compared t 10.4 per cent Upper Castes. On the other hand, 35 per cent Muslims were in elementary jobs as compared to only 11.7 per cent Upper Castes. Thus, a higher proportion of Muslim workers are employed in low paid jobs as compared to other religious groups

Table 7: Distribution of Workers by Usual Occupation Among Selected Groups (%)

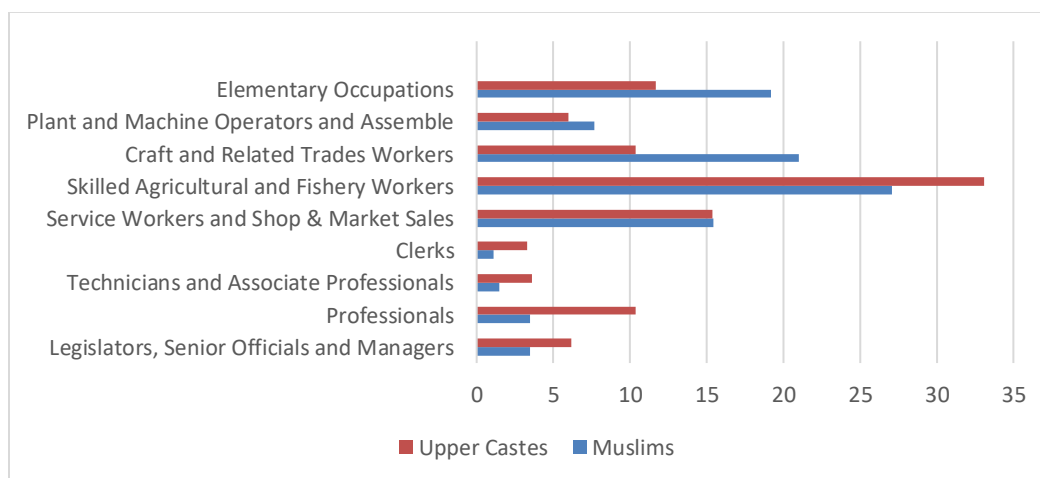
Usual Occupation (PS+SS)	Muslims	Scheduled Caste	Upper Caste	All
	2011-12			
Legislators, Senior Officials and Manage	9.55	3.26	11.09	6.77
Professionals	2.75	1.94	6.97	3.55
Technicians and Associate Professionals	2.24	2.15	5.10	3.11
Clerks	0.81	1.38	3.29	1.89
Service Workers and Shop & Market Sales	9.42	4.94	10.30	7.36
Skilled Agricultural and Fishery Workers	19.15	21.71	29.62	31.80
Craft and Related Trades Workers	23.58	14.96	12.32	12.98
Plant and Machine Operators and Assemble	7.46	4.09	5.76	4.64
Elementary Occupations	24.79	45.46	15.37	27.81
All Workers	100.00	100.00	100.00	100.00
	2023-24			
Legislators, Senior Officials and Managers	3.51	1.35	6.20	3.16

Professionals	3.48	3.03	10.36	5.28
Technicians and Associate Professionals	1.49	1.84	3.60	2.26
Clerks	1.08	1.73	3.31	2.11
Service Workers and Shop & Market Sales	15.42	9.28	15.40	11.54
Skilled Agricultural and Fishery Workers	27.10	29.93	33.08	37.97
Craft and Related Trades Workers	21.04	12.71	10.37	11.09
Plant and Machine Operators and Assemble	7.67	5.11	6.01	5.32
Elementary Occupations	19.20	35.02	11.68	21.28
All Workers	100.00	100.00	100.00	100.00

Source: Calculated from the unit levels data from EUS 2011-12 and PLFS 2023-24.

The proportion of Muslims and Upper castes among legislators, senior officials and managers has declined both in case of the Muslims and the Upper Castes because of reservations. However, the proportion of professional workers, technicians and associate professionals has increased due to greater demand for such workers. Crafts and related workers also show a decline due to increased competition from the organized sector. The proportion of the elementary workers has markedly declined in all groups. However, intermediate occupations like clerks, shop workers, plant operators and skilled agricultural workers have increased their share in workers in all groups.

Figure 7: Distribution of Workers by Occupational Category 2023-24 (%)



Rammohan et al. (2017) have calculated the loss suffered by different social groups due to occupational segregation. According to their findings females and males from SC, ST, Muslim groups incurred huge loss as a consequence of their uneven representation in different occupations. On the contrary, males and females from the socially advantaged ‘Other’ group have gained most due to their uneven representation across different occupations in the economy.

Monthly Earnings

Along with occupational segregation in low income occupations ST, SC, OBC and Muslim groups face discrimination in the labour market at entry level and also payment of wages as highlighted by many studies (Bhaumik and Chakraborty 2008; Agarwal 2014; Dsouza *et al* 2015; Mondal *et al* 2015). Table 8 shows the monthly earnings of regular and casual workers by selected groups in 2011-12 and 2023-24.

Table 8: Monthly Earnings of Regular and Casual Workers by Selected Groups (Rs.)

Social and Religious Group	Regular or Salaried Employees			Casual Wage Workers		
	Male	Female	Total	Male	Female	Total
	2011-12			2011-12		
Muslims	11928 (0.74)	8614 (0.66)	11412 (0.73)	5409 (1.02)	3209 (0.94)	5166 (1.04)
SC	10939	6259	9909	5070	3354	4687
Upper Caste	16120	13109	15534	5301	3418	4983
	2023-24			2023-24		
Muslims	18278 (0.68)	14809 (0.65)	17712 (0.64)	14104 (1.00)	9089 (1.04)	13681 (1.03)
SC	18419	11683	16545	13514	9061	12477
Upper Caste	27044	22694	26003	14101	8764	13317

Note: Figures in the parenthesis shows ratio of Muslim earnings to the earnings of the Upper Castes.

Source: Calculated from the unit levels data from EUS 2011-12 and PLFS 2023-24.

In 2023-24, average monthly earning of a Muslim male regular worker was 18,278 against the earning of Rs. 27,044 for Upper Caste worker and Rs. 18,419 for SC worker. The corresponding figures for casual wage worker were Rs. 14,101, Rs. 14,101 and Rs. 13,514 respectively. Thus, in case of casual workers Muslims were in a slightly better position as compared to the other two groups. This, may be due to better skills among the Muslims. In short, Muslim workers earn about three fourth of the earnings of Upper caste in regular wage/salary employment. In fact, this difference has slightly increased between 2011-12 and 2023-24 in case of male workers. In case of casual workers this gap has reduced in case of Muslim female workers but remained the same in case of Muslim male workers.

There has been a debate in the literature about the issue of wage differentials and whether they are due to endowment factors or labour market discrimination. Agarwal (2014) in his study finds that 62 percent of the total wage differential in the rural sector could be attributed to group differences in the characteristics and the remaining 38 percent could be attributed to discrimination. The same figures in the urban sector were 69 and 31 per cent, respectively.

Dsouza et al (2015) have made a detailed study of the earning differentials among social and religious groups. They find that non-Muslim Minorities and upper Hindus received the highest wages. According to their study the endowment effect explained almost 100 per cent of the real weekly earnings gap between Upper Hindus and Muslims across all NSS rounds. According to their findings education was the most important factor that explained almost 53–78 per cent of the differential in real weekly earnings gap between Hindu Upper and Muslims across all periods. Casual status of an individual explained 20–34 per cent of the real weekly earnings gap against Muslims and 26–44 per cent against SC/ST across all periods.

The study by Mondal et al. (2015) shows that Muslim men earn slightly lower wages compared to their upper-caste Hindu counterparts, and this difference has grown slightly over the period of 1983 to 2011. They also found that for more educated salaried workers, the differences are high especially in urban areas.

Though there has been some improvement in educational status of Muslims, they remain in a relatively less developed condition. In 2023-24, 85 per cent Muslim males and 74 Muslim females were literate. The corresponding figures for the Upper Castes were slightly higher at 87.2 and 74.6 per cent respectively. However, the gap increases with rise in educational level. Thus, in 2011-22 Muslims constituted only 4.8 per cent of students in higher educational institutions (Mehta 2023). The gross enrolment ratio at higher educational institution was merely 8.4 per cent of the relevant age group. Only 2.75 per cent of Muslims are educated upto graduate and higher levels. With such poor educational attainment it is difficult for them to compete in the labour market with Upper caste and other social groups. Improvement in educational status of

Muslims, therefore, a precondition for ensuring better labour market outcomes (Bhaumik and Chakraborty 2008).

Concluding Remarks

This paper has analysed the relative position of Muslims in the labour market during the period 2011-12 and 2023-24. The main findings of the paper are summarized below.

The LFPR of Muslim males and females are lower than that of the other groups both in the rural and the urban areas. There was a clear decline in LFPR in case of Muslims and Upper castes both in case of males as well females between 2009-10 and 2017-18 in the rural areas. In urban areas LFPR for males shows an improvement over 2009-10 in all the three groups. Only Muslim females show decline in LFPR in this period. LFPR shows an improvement in case of all groups between 2017-18 and 2023-24 both in the rural areas and urban areas and for males and females.

In 2023-24, WPR was 53.2 per cent for Muslim males and 20.7 per cent for Muslim females, which was lower than that of Upper castes and the SC, especially in case of females. This was also the case both in the rural and the urban areas. Looking at the changes in WPR over time we find that between 2009-10 and 2017-18 there has been a clear decline in WPR for all the three groups especially in the case of females. However, all groups show an increase in WPR between 2017-18 and 2023-24. The gain has been sharper in case of females as compared to males.

Unemployment was found lowest among Muslims males. Unemployment rates were higher for females in case of Muslims and the Upper Castes but lower in case of SC. Unemployment rate was much higher in urban area as compared to rural area for all three groups, especially in case of females. Unemployment rates rose sharply between 2011-12 and 2017-18 in case of all groups both for males and females. But, there was a sharp decline in unemployment rate in 2023-24 as compared to 2017-18 for all groups both for males and females.

Self employment is the dominant mode of employment for the Muslims. In 2023-24, 62.2 per cent of Muslim workers were self employed as compared to 46.2 per cent SC workers and 60.1 per cent Upper Caste workers. However, the proportion of workers in regular wage/salary job was much lower in case of Muslim workers as compare to the Upper Castes workers. Among casual workers the proportion of Muslims workers was much higher than that of the Upper Caste, though considerably lower than that of SC. Thus, in terms of quality of work the Muslim workers are in an inferior position as compared to the Upper Caste workers, though they are better off as compared to the SC workers. All the groups show a sharp decline in the proportion of casual workers and increase in self employment and regular employment since 2011-12.

The proportion of Muslim workers in the primary sector is lower as compared to the SC and Upper Castes, but it is distinctly higher in case of the secondary sector especially as compared to the Upper Castes. In the tertiary sector highest proportion of workers is found in the case of Upper Caste followed by the Muslims and SC. The proportion of agricultural workers has declined in all selected groups. The decline was, however, sharper for SC and very moderate for Muslims. The proportion of secondary sector workers has increased in case of SC, but declined in case of Upper Castes and Muslims. The proportion of workers engaged in the tertiary sector also shows a clear increase in all groups. But the increase was relatively less in case of Muslims.

Muslims are under-represented in professional technical and clerical jobs, while they are over represented in services and sales workers, craft and related workers, machine operators and elementary occupations. Thus, a higher proportion of Muslim workers are employed in low paid jobs as compared to other religious groups. The proportion of Muslims and Upper castes among legislators, senior officials and managers has declined both in case of the Muslims and the Upper Castes because of reservations. However, the proportion of professional workers, technicians and associate professionals has increased due to greater demand for such workers. Crafts and related workers also show a decline due to increased competition from the organized sector. The proportion of the elementary workers has markedly declined in all groups.

Muslim groups incurred huge loss as a consequence of their uneven representation in different occupations. Thus, in case of casual workers Muslims were in a slightly better position as compared to the other two groups. This, may be due to better skills among the Muslims. Muslim workers earn about three fourth of the earnings of Upper caste in regular wage/salary employment. In fact, this difference has slightly increased between 2011-12 and 2023-24 in case of male workers.

To sum up, we find that the plight of the Muslims in the labour market does not show any marked improvement in the recent period. Their participation rate in labour and work remains low especially in case of females. Majority of Muslims are self employed and their presence in regular wage/salary jobs is low. Mostly the Muslims are engaged in low paid jobs. The earning levels of the Muslims are also low especially in comparison to Upper Caste workers. A large part of this difference is attributed to the poor endowment of Muslims especially in terms of education. Even now Muslims lag considerably behind other sections in levels of education. Thus, the gross enrolment ratio at higher educational institution is merely 8.4 per cent of the relevant age group. Only 2.75 per cent of Muslims are educated upto graduate and higher levels. With such poor educational attainment, it is difficult for them to compete in the labour market with Upper caste and other social groups. Improvement in educational status of Muslims, therefore, a precondition for ensuring better labour market outcomes. Thus, positive discrimination is needed in favour of the Muslims to bring them in the mainstream.

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